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United Nations Development Programme

Financial report and audited financial statements for the biennium ended 31 December 1991 and Report of the Board of Auditors

General Assembly
Official Records • Forty-seventh Session
Supplement No. 5A (A/47/5/Add.1)

United Nations Development Programme

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NOTE

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ABBREVIATIONS

AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AsDB	Asian Development Bank
CIDA	Canadian International Development Agency
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
IDA	International Development Association
IDB	Inter-American Development Bank
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organization
ITC	International Trade Centre
ITU	International Telecommunication Union
OPS	Office for Project Services
UNCDF	United Nations Capital Development Fund
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNITAR	United Nations Institute for Training and Research

UNRFNRE	United Nations Revolving Fund for Natural Resources Exploration
UNSO	United Nations Sudano-Sahelian Office
UNV	United Nations Volunteers
UPU	Universal Postal Union
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Tourism Organization

29 April 1992

Sir,

Pursuant to financial regulation 16.1, I have the honour to submit the financial statements of the United Nations Development Programme for the biennium ended 31 December 1991, which I hereby approve.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, Sir, the assurances of my highest consideration.

(Signed) William H. DRAPER III
Administrator of the
United Nations Development Programme

The Chairman of the Board of Auditors
United Nations
New York

30 June 1992

Sir,

I have the honour to transmit to you the financial statements of the United Nations Development Programme for the biennium 1990-1991 ended 31 December 1991, which were submitted by the Administrator. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) Osei Tutu PREMPEH
Auditor-General of Ghana
and Chairman of the
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York, N.Y.

I. FINANCIAL REPORT FOR THE BIENNIUM ENDED 31 DECEMBER 1991

1. The Administrator has the honour to submit his financial report for the biennium ended 31 December 1991, together with the audited financial statements of the United Nations Development Programme (UNDP) for the biennium ended 31 December 1991 and the report of the Board of Auditors. This submission is made in conformity with the Financial Regulations of the United Nations Development Programme. The financial statements consist of 25 statements and 10 schedules, accompanied by notes which are an integral part of the financial statements, and cover all funds for which the Administrator is responsible.

2. The UNDP financial statements incorporate expenditure data obtained from the executing agencies. As far as possible, the data are obtained from the agencies' audited statements or, when such statements are not available at the time of the year-end closing of the UNDP accounting records, either from the agencies' statements as submitted for audit or from the agencies' unaudited statements.

3. As at the date of preparation of the present financial statements, the status of information received from the executing agencies was as follows:

(a) Audited statements were provided by the following executing agencies:

International Atomic Energy Agency
United Nations Educational, Scientific and Cultural Organization
United Nations Industrial Development Organization
World Health Organization
World Tourism Organization

(b) Statements as submitted for audit were provided by the following executing agencies:

United Nations
Economic Commission for Africa
Economic Commission for Europe
Economic Commission for Latin America and the Caribbean
Economic and Social Commission for Asia and the Pacific
Economic and Social Commission for Western Asia
United Nations Conference on Trade and Development
United Nations Centre for Human Settlements (Habitat)
International Labour Organisation
Food and Agriculture Organization of the United Nations
International Civil Aviation Organization
International Finance Corporation
World Bank
Universal Postal Union
International Telecommunication Union
World Meteorological Organization
International Maritime Organization
World Intellectual Property Organization
International Trade Centre
African Development Bank

Asian Development Bank
International Monetary Fund
Arab Fund for Economic and Social Development
United Nations Institute for Training and Research

(c) Adjustments to prior years' programme expenditure and programme support costs are shown in note 10 to the financial statements.

Changes in accounting practices and policies in the biennium

Financial regulations and rules

4. The financial statements have been prepared in accordance with the financial regulations for UNDP, which were approved by the Governing Council at its twenty-eighth session, 1/ and at its thirty-second session. 2/ At its thirty-eighth session, 3/ the Governing Council approved amendments to these regulations allowing the Administrator to submit audited financial statements on a biennial basis, beginning with the biennium 1990-1991.

5. In accordance with financial regulation 14.1 (a), the Administrator established revised financial rules, which came into effect on 1 January 1985.

Accounting policies

6. A summary of significant accounting policies applied in the preparation of the financial statements is provided in note 1 to the financial statements. The policies are the same as those applied in the 31 December 1989 financial statements.

Presentation of accounts

7. The accounts are presented in essentially the same format as that used in previous years. However, the following changes have been made:

(a) In accordance with the amendment to the financial regulations discussed in paragraph 4 above, the accounts are presented in a biennial (1990-1991) format with comparative figures for 1988-1989.

(b) The schedules to the accounts have been greatly streamlined to exhibit only information which is pertinent to the financial statements. Specifically, the following statements and schedules, included in the 1989 financial statements, have been deleted for 31 December 1991 biennial statement purposes:

1/ Official Records of the Economic and Social Council, 1981, Supplement No. 11 (E/1981/61/Rev.1), decision 81/28.

2/ Ibid., 1985, Supplement No. 11 (E/1985/32), decision 85/38.

3/ Ibid., 1990, Supplement No. 9 (E/1990/29), decision 90/49.

Statement V	Status of funds - UNDP
Schedules 1, 2 and 3	Status of voluntary contributions
Schedule 8	Expert hiatus financing, extended sick leave and compensation payments
Schedules 11.1, 11.2 and 11.3	Reserve for field accommodation
Schedules 14 to 17	Trust funds - contributions

(c) In accordance with the revised budget estimates for the biennium 1990-1991, approved by the Governing Council at its thirty-eighth session in June 1991, the presentation of the UNDP biennial budget (schedule 3) has been revised to delineate between core and programme support and development activities. 4/ In addition, with respect to the Office for Project Services, a distinction has been made between expenditure financed from support cost earnings charged to UNDP general resources, as shown in schedule 3, and the income generated from extrabudgetary resources, as shown in schedule 4.

Combined statement of income and expenditure for the biennium ended 31 December 1991

8. Table 1 below represents a combined statement of income and expenditure for the biennium ended 31 December 1991 in respect of the UNDP account, the UNDP-administered trust funds and the Junior Professional Officers Programme. It provides an overall view of the financial activities during the biennium of all funds for which the Administrator is responsible. The balance of each fund as at 31 December 1991 represents the recorded value of the net assets of each fund as at that date, exclusive of fully funded reserves.

4/ Ibid., 1991, Supplement No. 13 (E/1991/34), decision 91/45.

Table 1. Combined income and expenditure for the biennium ended 31 December 1991

(Millions of United States dollars)

	Adjusted balance as at 1 January 1990	Income	Expenditure	Balance as at 31 December 1991
Source of funds				
UNDP account				
Voluntary contributions and other income	516.1	2 109.9	2 459.3	166.7
Special Measures Fund for the Least Developed Countries	43.6	12.8	30.4	26.0
Cost-sharing contributions	128.8	388.0	351.9	164.9
Cash counterpart contributions	6.9	22.1	20.7	8.3
Extrabudgetary activities	25.6	84.6	77.7	32.5
Subtotal (statement IV)	721.0	2 617.4	2 940.0	398.4
Trust funds				
United Nations Capital Development Fund (statement V)	99.8	113.0	103.1 a/	109.7
United Nations Revolving Fund for Natural Resources Exploration (statement VI)	4.1	6.0	7.8	2.3
United Nations Trust Fund for Sudano-Sahelian Activities (statement VII)	42.3	47.3	37.3	52.3
United Nations Volunteers programme (statement VIII)	9.8	18.5	16.4	11.9
United Nations Fund for Science and Technology for Development (statement IX)	4.0	6.4	6.2	4.2
UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia (statement X)	0.3	1.6	1.8	0.1
United Nations Development Fund for Women (statement XI)	12.6	24.3	23.7 b/	13.2
UNDP Energy Account (statement XII)	5.8	3.8	5.2	4.4
Trust funds established by the Administrator (statements XIII to XXIII)	58.4	54.5	57.9	55.0
Other trust funds administered by UNDP (statement XXIV)	0.8	0.4	0.3	0.9
	237.9	275.8	259.7	254.0
Junior Professional Officers programme (schedule 8)	1.3	40.3	39.7	1.9
Total	960.2	2 933.5	3 239.4	654.3

a/ Includes a transfer of $13.4 million to the United Nations Capital Development Fund Operational Reserve.

b/ Includes a transfer of $0.4 million from the United Nations Development Fund for Women Operational Reserve.

UNDP account

9. As shown in the statement of income and expenditure (statement I), total income for the biennium ended 31 December 1991 amounted to $2,617.4 million, total expenditure amounted to $2,940.6 million, and the provision to reduce the book value of accounts receivable and deferred charges amounted to a credit of $0.7 million. Thus, the deficit of income over expenditure and the provision to reduce the book value of accounts receivable and deferred charges amounted to $322.5 million.

10. Statement IV shows the shortfall of income over expenditure of $322.5 million attributable as follows:

(a) A deficit of $349.4 million in respect of UNDP general resources;

(b) A deficit of $17.5 million in respect of the Special Measures Fund for the Least Developed Countries;

(c) A surplus of $36.1 million in respect of cost-sharing contributions;

(d) A surplus of $1.3 million in respect of cash counterpart contributions;

(e) A surplus of $7.0 million in respect of extrabudgetary activities.

11. There has been an overall increase in expenditure of $625.3 million compared to the biennium 1988-1989 (statement I). For the same period, income increased by $300.3 million. The provision to reduce the book value of accounts receivable and deferred charges decreased by $1.0 million. Statement III gives details of the changes in the financial position during the year and shows that cash and investments held by UNDP decreased from $998.7 million at the beginning of the biennium to $661.5 million as at 31 December 1991.

Government contributions

12. The arrears of government contributions to UNDP for 1991 and prior years amounted to $261.5 million at 31 December 1991, as shown in note 6 to the financial statements. This represented a net increase of $103.6 million over the position as at 31 December 1989, when these arrears amounted to $157.9 million, and is mainly attributable to the increase in outstanding voluntary contributions of $111.0 million.

Extrabudgetary activities

13. As shown in schedule 4, extrabudgetary expenditure in the biennium 1990-1991 amounted to $77.7 million. Income received for these activities totalled $84.7 million and the unexpended balance at 31 December 1991 was $32.5 million.

14. The total project delivery by the Office for Project Services (OPS) during the biennium 1990-1991 amounted to $132.6 million in respect of trust funds, $55.1 million in respect of management service agreements, and $210.2 million in respect of cost-sharing projects. For this project delivery, net OPS programme support costs earnings amounted to $4.3 million.

Special Programme Resources

15. Expenditure incurred by executing agencies on projects financed by the Special Programme Resources in the biennium amounted to $76.7 million as shown in schedule 2. The status of the Special Programme Resources for the fourth indicative planning figure cycle (1987-1991) is shown in note 2 to the financial statements.

16. At its thirty-third session, the Governing Council authorized the carry-over from the third to the fourth programming cycle of both the unallocated special programme resource funds and those allocated but not budgeted as at 31 December 1986. 5/ As a result, the carry-over of $21.0 million has been added to the amount authorized for the fourth cycle.

Special Measures Fund for the Least Developed Countries

17. Schedule 2 shows expenditure of $30.3 million incurred in the biennium out of the Special Measures Fund for the Least Developed Countries. Contributions received by the Fund totalled $12.8 million, as shown in statement 1. The deficit of income over expenditure amounted to $17.5 million and the unexpended balance at 31 December 1991 was $26.0 million (statement IV).

UNDP biennial budget

18. At its thirty-eighth session in June 1991, the Governing Council approved total appropriations of $503.8 million, for the purpose of financing programme support and administrative services costs under UNDP and the funds administered by the Programme for the biennium 1990-1991. 6/

19. This represents an increase in net appropriations of $120.2 million over the revised biennial budget approved by the Governing Council at its thirty-sixth session in June 1989. 7/

20. Detailed information on the gross expenditure incurred against the revised appropriations for the biennium 1990-1991 is given in schedule 3 in respect of the costs met from the resources of UNDP, and in schedule 13 in respect of the costs met from the resources of UNCDF, UNRFNRE and UNFSTD, UNSO and UNIFEM, respectively.

21. Table 2 below shows, for each appropriation line, the total appropriation, the net actual expenditure for the biennium 1990-1991 and the resulting unencumbered balance.

5/ Ibid., 1986, Supplement No. 9 (E/1986/29), decision 86/30.

6/ Ibid., 1991, Supplement No. 13 (E/1991/34), decision 91/45.

7/ Ibid., 1989, Supplement No. 13 (E/1989/32), decision 89/58.

Table 2. Budget appropriations and expenditure for the biennium 1990-1991

(Thousands of United States dollars)

	Total appropriations	Net expenditure for the biennium	Unencumbered balance
I. RESOURCES OF UNDP			
A. UNDP core activities			
Headquarters	152 705.4	150 558.0	2 147.4
Field office	288 763.1	284 805.6	3 957.5
Gross UNDP core activities	441 468.5	435 363.6	6 104.9
Estimated income	30 940.0	32 395.5	(1 455.5)
Net UNDP core activities	410 528.5	402 968.1	7 560.4
B. Programme support and development activities			
Programme development activities	353.2	350.0	3.2
Project/programme implementation services			
Development support services	5 000.0	4 499.4	500.6
Office for Project Services	26 482.8	25 353.4	1 129.4
Inter-Agency Procurement Services Office	4 796.6	3 947.2	849.4
United Nations Volunteers programme	27 723.8	25 438.7	2 285.1
National execution	2 461.4	2 308.4	153.0
Total project/programme implementation services	66 464.6	61 547.1	4 917.5
Total programme support and development activities	66 817.8	61 897.1	4 920.7
Total, resources of UNDP	477 346.3	464 865.2	12 481.1
II. RESOURCES OF TRUST FUNDS			
A. United Nations Capital Development Fund	9 839.9	8 342.1	1 497.8
B. United Nations Revolving Fund for Natural Resources and United Nations Fund for Science and Technology for Development	5 708.5	3 860.4	1 848.1
C. United Nations Sudano-Sahelian Office	6 701.4	5 328.4	1 373.0
D. United Nations Development Fund for Women	4 193.4	3 704.5	488.9
TOTAL	503 789.5	486 100.6	17 688.9

Office for Project Services

22. At its thirty-fifth session, the Governing Council noted the carry-forward of $2.5 million of 1988-1989 support cost earnings for use in the biennium 1990-1991. 8/

Construction and capital improvement of UNDP housing and office buildings

23. UNDP has incurred construction and capital improvement costs totalling US$ 3.6 million in respect of housing and field office premises. These costs were as follows:

Field office premises	Costs incurred (United States dollars)	Period
Nepal	1 351 195	1985-1987
Field housing		
Chad (land and buildings)	67 290	1983
Guinea	1 065 375	1978-1985
Sudan - Juba	1 096 500	1973-1978
	2 229 165	
Total	3 580 360	

Property written off, ex-gratia payments and write-offs of cash and receivables

24. In accordance with UNDP financial regulation 14.4, UNDP non-expendable property in the amount of $547,951 in Somalia and $280,078 in Liberia was written off during the biennium. Write-offs of property are investigated by the UNDP headquarters Property Survey Board and are subsequently approved by the Assistant Administrator of the Bureau for Finance and Administration.

25. Ex-gratia payments in the amount of $40,000 were made in the biennium 1990-1991 under UNDP financial regulation 14.3.

26. In the biennium 1990-1991, write-offs of cash and accounts receivable amounting to $976,096 were approved under UNDP financial regulation 14.4 and financial rule 114.15. Details of all amounts written off were made available to the Board of Auditors.

Trust funds administered by UNDP

27. The status of the trust funds administered by UNDP as at 31 December 1991 is shown in statements V to XXV. The budget appropriations for the biennium

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8/ Ibid., 1990, Supplement No. 9 (E/1990/29), decision 90/45.

1990-1991 for the United Nations Capital Development Programme, the United Nations Revolving Fund for Natural Resources Exploration, the United Nations Fund for Science and Technology for Development, the United Nations Trust Fund for Sudano-Sahelian Activities and the United Nations Development Fund for Women are given in schedule 10. The financial position as at 31 December 1991 of the Junior Professional Officers Programme is provided in schedule 8.

United Nations Capital Development Fund

28. This Fund was established by the General Assembly in its resolution 2186 (XXI) of 13 December 1966 and placed under the authority of the Administrator of UNDP and the Governing Council by resolution 2321 (XXII) of 15 December 1967. The Fund provides capital financing for projects that directly and immediately benefit low-income groups in the least developed countries.

29. As shown in statement V, the total income of the Fund in 1990-1991 amounted to $113.0 million and expenditure to $89.1 million. At its twenty-sixth session, the Governing Council decided that the Fund should establish and maintain an operational reserve of no less than 20 per cent of the Fund's project commitments. 9/ As at 31 December 1991, the balance of the operational reserve amounted to $58.9 million, which includes a guarantee reserve equivalent to 20 per cent of the total contingent liabilities for guarantees entered into by the Fund in respect of bank loans granted by Governments. At the end of 1991, the Fund had a balance of $109.7 million exclusive of its operational reserve.

30. As at 31 December 1991, the unspent allocations amounted to $296.6 million, inclusive of an amount of $0.2 million in respect of loan commitments. Unspent allocations exceeded total available resources by $186.9 million as at 31 December 1991. This reflects the decision made by the Governing Council at its twenty-ninth session to continue the partial funding system 10/ and at its thirty-fourth session to modify the formula covering the ceiling on commitments. 11/ The status of all sub-trust funds is reflected in statement XXV.

United Nations Revolving Fund for Natural Resources Exploration

31. This trust fund was established by the General Assembly in its resolution 3167 (XXVIII) of 17 December 1973, in which it recognized the need to extend and intensify the activities of the United Nations system to meet the need for natural resources exploration in developing countries in order to accelerate their economic development. Governments receiving assistance from this trust fund have undertaken to make replenishment contributions to the Fund, when the projects financed by the Fund lead to commercial production.

9/ Ibid., 1979, Supplement No. 10 (E/1979/40), decision 79/21, para. 4.

10/ Ibid., 1982, Supplement No. 6 (E/1982/16/Rev.1), decision 82/22, para. 6.

11/ Ibid., 1988, Supplement No. 9 (E/1988/19), decision 88/44, para. 1.

32. At its 38th meeting on 22 June 1990, the Governing Council by its decision 90/39 approved the proposal made by the Administrator to entrust the management of this Fund and the United Nations Fund for Science and Technology for Development to a single office, while maintaining the identity of both funds and their respective operating procedures and mandates, thereby deriving benefit from combined management and economy of operations. This merge was effected in 1991.

33. During the biennium 1990-1991, an agreement was signed between the funds and the Swedish Agency for International Technical and Economic Cooperation (BITS) of Sweden for management services to be provided by the Fund and financed by BITS. Income to the Fund under this arrangement amounted to $30,406. There was no expenditure and the balance of this account as at 31 December 1991 was $30,406.

34. As shown in statement VI, the total income of the Fund in 1990-1991 amounted to $6.0 million and expenditure to $7.8 million. At the end of 1991, the balance of the Fund was $2.3 million. The status of sub-trust funds is reflected in statement XXV.

United Nations Trust Fund for Sudano-Sahelian Activities

35. This trust fund was established pursuant to General Assembly resolution 3253 (XXIX) of 4 December 1974 and Economic and Social Council resolution 1918 (LVIII) of 9 May 1975. In October 1976, the Secretary-General of the United Nations delegated to the Administrator of UNDP the full responsibility for the administration, control and operation of the Fund, including the administration and direction of the United Nations Sudano-Sahelian Office (UNSO) at headquarters and in the field. UNSO acts as the primary United Nations contact with the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS) and, in consultation with CILSS and the Governments concerned, selects and implements priority projects contained in the CILSS programme of medium-term and long-term recovery and rehabilitation in the drought-stricken Sahelian countries.

36. As shown in statement VII, the total income of the Fund in 1990-1991 amounted to $47.3 million and expenditure to $37.0 million. The balance in the Fund at the end of 1991 was $52.3 million. Unspent allocations of the Fund amounted to $54.8 million. The status of all sub-trust funds is reflected in statement XXV.

United Nations Sudano-Sahelian Office - Plan of Action to Combat Desertification

37. The United Nations Sudano-Sahelian Office is responsible for assisting, on behalf of the United Nations Environment Programme (UNEP), the countries of the Sudano-Sahelian region in the implementation of the Plan of Action to Combat Desertification. The work is carried out as a UNDP/UNEP joint venture, with both programmes contributing equal shares of programme (operational) support and administrative (institutional) support. Details of contributions received and expenditure incurred on the UNDP/UNEP joint venture are given in note 18 (b) to the financial statements.

United Nations Volunteers programme

38. This programme was established by General Assembly resolution 2659 (XXV) of 7 December 1970. As shown in statement VIII, the total income of the UNV programme in 1990-1991 amounted to $18.5 million and expenditure of the trust fund to $16.4 million. At the end of 1991, the balance of the UNV programme was $11.9 million. The status of all sub-trust funds is reflected in statement XXV.

United Nations Fund for Science and Technology for Development

39. The General Assembly, by its resolution 34/218 of 19 December 1979, decided to establish a United Nations Financing System for Science and Technology for Development, to finance activities intended to strengthen the indigenous scientific and technological capacities of the developing countries, and decided that the Financing System should be a vehicle for the mobilization, coordination, channelling and disbursement of financial resources related thereto. By the same resolution, the Assembly also decided to create a United Nations Interim Fund for Science and Technology for Development, pending the establishment of the long-term arrangements for the Financing System. The Interim Fund was established for a two-year period ending 31 December 1981 and responsibility for its administration was delegated to UNDP.

40. The Governing Council, at its twenty-eighth session, authorized the Administrator to make arrangements to ensure an orderly transition from the Interim Fund (termination date 31 December 1981) to the Financing System, operative as from 1 January 1982. 12/ The year 1982 was designated by the General Assembly, in its resolution 36/183 of 17 December 1981, as a year of transition for the Financing System, during which time institutional arrangements should be determined, inter alia, in the light of the magnitude of the financial resources and the nature of operations of the Financing System. By the same resolution, the Assembly also decided that the general operational provisions of the Interim Fund, including its resources, organization and management, as well as the procedures established in the annex to Assembly resolution 34/218, would apply and be transferred to the Financing System during the transitional period.

41. During 1980, a programme reserve was created by transferring from the unexpended resources an amount equal to 2 per cent of the contributions received; this was done in accordance with the operational procedures established for this Fund by General Assembly resolution 34/218.

42. This programme reserve shall be used by the Administrator at his discretion for purposes consistent with the Vienna Programme of Action on Science and Technology for Development 13/ and, with the guidelines established

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12/ Ibid., 1981, Supplement No. 11 (E/1981/G1/Rev.1), decision 81/9.

13/ See Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations publication, Sales No. E.79.I.21 and corrigenda), chap. VII.

by the General Assembly and the Committee, to ensure the flexibility and innovative capacity of the Financing System and its ability to provide catalytic support.

43. Based on the recommendations of the Intergovernmental Committee on Science and Technology for Development to the General Assembly, 14/ the Governing Council, at its thirty-third session, decided that the Administrator should establish a facility in the form of a trust fund for science and technology for development with effect from 1 January 1987, on the understanding that, in the event that the decision of the General Assembly differs significantly from that proposed by the Committee, the Administrator would again consult the Governing Council at its February 1987 session. 15/

44. The General Assembly, by its resolution 41/183 of 8 December 1986, decided to terminate the United Nations Financing System for Science and Technology for Development as at 31 December 1986 and to transfer its responsibilities and resources to a facility, entitled United Nations Fund for Science and Technology for Development, to be established as a trust fund under the administration of the Administrator of UNDP.

45. During the biennium, the Fund was merged with the United Nations Revolving Fund for Natural Resources to benefit from combined management and operational economy.

46. As shown in statement IX, the total income of the Fund in 1990-1991 amounted to $6.4 million and expenditure to $6.2 million. The balance in the Fund at the end of 1991 was $4.2 million. Unspent allocations of the Fund amounted to $3.8 million. The status of all sub-trust funds is reflected in statement XXV.

UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia

47. By its resolution 31/153 of 20 December 1976, the General Assembly decided to launch, in support of the nationhood of Namibia, a comprehensive assistance programme within the United Nations system. The Assembly further called upon the United Nations Council for Namibia to elaborate, in consultation with the South West Africa People's Organization, the guidelines and policies for such a programme and to direct and coordinate its implementation.

48. The United Nations Council for Namibia designated the office of the United Nations Commissioner for Namibia as the coordinating authority for the Nationhood projects, under the direction of the Committee on the United Nations Fund for Namibia. The Council for Namibia further requested the Commissioner for Namibia, within the framework of the executive and administrative tasks entrusted to him, to hold consultations with UNDP with a

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14/ Official Records of the General Assembly, Forty-first Session, Supplement No. 37 (A/41/37), chap. II, resolution 6 (VIII).

15/ Official Records of the Economic and Social Council, 1986, Supplement No. 9 (E/1986/29), decision 86/38.

view to reaching administrative arrangements for the implementation of the Nationhood Programme, including a proposal that the disbursement of funds for all Nationhood Programme projects be channelled through UNDP. Pursuant to the above, the Administrator of UNDP and the United Nations Commissioner for Namibia agreed that the UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia be established under the administration of the Administrator.

49. As shown in statement X, the total income of this Fund in 1990-1991 amounted to $1.6 million and expenditure to $1.8 million. At the end of 1991, the balance of the Fund was $100,053 after the transfer of interest income totalling $101,855 to the United Nations. The balance of unspent allocations amounted to $449,075, which was $349,022 more than the unspent balance of funds available at that time.

United Nations Development Fund for Women

50. At its thirtieth session, held in 1975, the General Assembly decided that the Voluntary Fund for the International Women's Year should be extended to cover the period of the United Nations Decade for Women, 1976-1985. 16/ In pursuance of this decision, the resources of the Voluntary Fund for the International Women's Year were transferred to the Voluntary Fund for the United Nations Decade for Women, which was established by the Assembly by its resolution 31/133 of 16 December 1976. The resources of the Fund were to be utilized to supplement activities designed to realize the goals of the United Nations Decade for Women; priority being given to the related programmes and projects of the least-developed, land-locked and island developing countries.

51. In June 1980, a memorandum of understanding between the Secretary-General of the United Nations and the Administrator of UNDP established a supplementary trust fund entitled "UNDP Trust Fund for Projects financed by the Voluntary Fund for the United Nations Decade for Women" and delegated the responsibility for its administration and management to the Administrator of UNDP.

52. At its thirty-ninth session, the General Assembly, by its resolution 39/125 of 14 December 1984, decided to close the Voluntary Fund for the United Nations Decade for Women and continue its activities through the establishment of the United Nations Development Fund for Women under the administration of UNDP. At its thirty-second session in June 1985, the Governing Council noted the arrangements made by the Administrator of UNDP to accept responsibility for the United Nations Development Fund for Women as of 1 July 1985. 17/

53. As shown in statement XI, total income of this Fund in 1990-1991 amounted to $24.3 million and expenditure to $23.4 million. At the end of 1991, the balance of the Fund was $13.2 million, of which unspent allocations amounted to $15.3 million. The status of all sub-trust funds is reflected in statement XXV.

16/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 51 (A/39/702).

17/ Official Records of the Economic and Social Council, 1985, Supplement No. 11 (E/1988/32), decision 85/35.

UNDP Energy Account

54. At its twenty-seventh session, the Governing Council authorized the Administrator, on an interim basis, to seek and accept voluntary contributions for projects to help meet urgent needs for assistance to developing countries, especially the poorest among them, in the energy sector, without prejudice to future arrangements which may result from the review of the United Nations Revolving Fund for Natural Resources Exploration provided for in Economic and Social Council resolution 1979/65 and from the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi in 1981. 18/

55. As shown in statement XII, total income in 1990-1991 amounted to $3.8 million and expenditure to $5.2 million. At the end of 1991, the balance of the Fund was $4.4 million, of which unspent allocations amounted to $1.8 million.

Trust funds established by the Administrator

56. The following trust funds were established by the Administrator in 1990-1991:

Trust Fund for the Global Environment Facility

Trust Fund Agreement between UNDP/IMPACT and the Malaysian Organizing Committee for Sportaid '88

Global Consultation on Water Supply and Sanitation for the 1990s

Trust Fund for the Republic of Maldives

UNDP/Switzerland Trust Fund for Namibia

UNDP/JAIDO Trust Fund for Sea Island Cotton Pilot Production

UNDP Trust Fund for the Independent International Commission on Health Research for Developing Countries

Trust Fund for the Interim Multilateral Fund under the Montreal Protocol

World Maritime University Trust Fund

Disaster Management Training Programme

Government of Germany Trust Fund for UNDP/World Bank Energy Sector Management Assistance Programme

Elaboration of Methods and Techniques of Operationalizing the Human Development Concept

UNDP Trust Fund for Enhancement of Private Sector Role in Development

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18/ Ibid., 1980, Supplement No. 12 (E/1980/42/Rev.1), decision 80/27.

Trust Fund for Environmental Conservation in Bhutan

UNDP Trust Fund for Technological Information Pilot System (TIPS)

Initial Initiative against Avoidable Disablement (IMPACT)

57. This trust fund was established by the Administrator on 6 January 1983 as a follow-up to the International Year of Disabled Persons and as a complementary action to the proposed World Programme of Action concerning disabled persons.

58. As shown in statement XIII, total income in 1990-1991 amounted to $1,634 and expenditure to $9,764. There is no unexpended resources at the end of 1991 and no unspent allocations.

Trust Fund for the Training in the USSR of Specialists from Developing Countries

59. This trust fund was established by the Administrator in September 1982 to finance training activities in the USSR for specialists from developing countries. As shown in statement XIV, total income in 1990-1991 amounted to $555,717 and expenditure to $2.9 million. At the end of 1991, the balance of the Fund was $0.1 million, of which unspent allocations amounted to $2.2 million.

Trust Fund for the Special Netherlands Contributions for the Least Developed Countries

60. This trust fund was established by the Administrator on 5 December 1983 to enhance the effectiveness of round-table conferences on the least developed countries to mobilize additional development resources for the implementation of projects and programmes identified in the round-table conference process, and to contribute to the achievement of development goals identified in country programmes for the least developed countries for which UNDP resources are lacking.

61. As shown in statement XV, total income in 1990-1991 amounted to $0.4 million and expenditure to $0.9 million. At the end of 1991, the balance of the Fund was $2.2 million, of which unspent allocations amounted to $1.0 million.

UNDP Trust Fund for Developing Countries Afflicted by Famine and Malnutrition

62. By paragraph 1 (a) of resolution 38/201 of 20 December 1983, the General Assembly decided to liquidate the United Nations Emergency Operation Trust Fund and to transfer 70 per cent of the remaining balances of that Fund to UNDP for the purpose of financing urgently needed projects, primarily in the food and agricultural sector in countries afflicted by famine and malnutrition as a result, particularly, of severe or prolonged drought with special emphasis on African countries. The Administrator established this trust fund on 20 December 1983.

63. As shown in statement XVI, total income in 1990-1991 amounted to $706,849 and expenditure to $2.9 million. At the end of 1991, the balance of the Fund was $2.8 million, of which unspent allocations amounted to $3.8 million.

Pérez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries

64. By paragraph 1 (c) of its resolution 38/201 of 20 December 1983, the General Assembly decided to transfer 12 per cent of the remaining balances of the United Nations Emergency Operation Trust Fund to UNDP for the purpose of promoting economic and technical cooperation among developing countries according to the priorities set by them. Since the Administrator established this trust fund on 31 December 1983, a process of consultations with the developing countries through the Group of 77 has been initiated by the Administrator.

65. By its decision 41/457, the General Assembly noted the wish of the Group of 77 that the principal amount (the unencumbered portion, which at that time amounted to $5 million) be preserved in perpetuity. Only the interest earned would thus be used to develop projects of a pre-investment/feasibility nature.

66. As shown in statement XVII, total income in 1990-1991 amounted to $1.1 million and expenditure to $1.1 million. At the end of 1991, the balance of the Fund was $6.9 million, of which unspent allocations amounted to $1.4 million.

UNDP Trust Fund for Assistance to Refugee-Related Development Projects in Africa

67. This trust fund was established by the Administrator on 30 October 1984 for the purpose of financing refugee-related infrastructural projects of a developmental nature, pursuant to relevant provisions of General Assembly resolution 37/197 of 18 December 1982 and of the Declaration and Programme of Action of the Second International Conference on Assistance to Refugees in Africa (A/39/402, annex). The General Assembly, under paragraph 5 of its resolution 37/197, requested the Secretary-General of the United Nations in close cooperation with the Secretary-General of the Organization of African Unity and the United Nations High Commissioner for Refugees, to convene a second International Conference on Assistance to Refugees in Africa in 1984, inter alia, "to consider the impact imposed on the national economies of the African countries concerned and to provide them with the assistance required to strengthen their social and economic infrastructure so as to enable them to cope with the burden of dealing with large numbers of refugees and returnees". The Declaration and Programme of Action of that conference stated, under paragraph 11 of part II, that "UNDP, in view of its central coordinating role within the United Nations system for development and its close linkages with donor communities, could be asked to take as soon as possible a leading part in the coordination, implementation and monitoring of refugee-related infrastructural projects of a developmental nature in close association with its partners and other donors".

68. As shown in statement XVIII, total income in 1990-1991 amounted to $0.4 million and expenditure to $2.7 million. At the end of 1991, the balance of the Fund was $2.9 million, of which unspent allocations amounted to $2.1 million.

UNDP Trust Fund to Combat Poverty and Hunger in Africa

69. This trust fund was established by the Administrator on 21 November 1984 in the light of his concern and that of the international community for the economic and social crisis affecting many countries in Africa as expressed, inter alia, in General Assembly resolution 38/199 on 20 December 1983, on special measures for the social and economic development of Africa in the 1980s, and in UNDP Governing Council decision 84/18 on 29 June 1984, on the economic and social crisis in Africa. The resources of the Fund are to be utilized to finance technical and/or capital assistance projects designed to combat poverty and hunger in Africa.

70. As shown in statement XIX, total income in 1990-1991 amounted to $669,572 and expenditure to $721,342. At the end of 1991, the balance of the Fund was $1.0 million.

Trust Fund for the Norwegian Contribution to the Angolan Petroleum Training Centre in Sumbe

71. This trust fund was established by the Administrator on 19 March 1984 to expand the Angolan petroleum training school into a regional centre in order to meet the training needs for manpower in oil industries of the Southern African Development Coordination Conference countries. The assistance provided is to upgrade the training capabilities of the instructors and provide teaching equipment.

72. As shown in statement XX, total income for 1990-1991 amounted to $66,599. There was no expenditure during 1990-1991. At the end of 1991 the balance of the Fund was $487,127, of which unspent allocations amounted to $50,001.

Trust Fund for the Global Environment Facility

73. This trust fund was established by the Administrator on 24 April 1991 to administer pre-investment studies, to carry out technical assistance measures, including planning, preparation and implementation of country programmes and specific projects and training for global environment policies and programmes.

74. As shown in statement XXI, the total income of the fund in 1990-1991 amounted to $2.6 million and expenditure to $2.0 million. The balance in the fund at the end of 1991 was $559,088. Unspent allocations of the fund amounted to $1.7 million.

Other trust funds established by the Administrator

75. Other trust funds established by the Administrator are:

Trust funds established by the Administrator in respect of World Bank projects - statement XXII;

Australian Development Assistance Bureau (ADAB)/UNDP Programme Trust Fund - statement XXIII;

CIDA/UNDP Trust Fund for the Bangladesh National Household Survey Capability Programme - statement XXIII;

CIDA/UNDP Trust Fund for Caribbean Project Development Facility - statement XXIII;

CIDA/UNDP Trust Fund for the Pakistan National Household Survey Capability Programme - statement XXIII;

UNDP Trust Fund for Receipt of Payments by Users of the Caribbean Project Development Facility - statement XXIII;

UNDP Trust Fund for Action on Development Issues - statement XXIII;

UNDP Trust Fund for Support to the Programmes of the Ministry of Planning of Costa Rica - statement XXIII;

UNDP Trust Fund for Assistance to the Technical Cooperation Fund between Peru and Argentina to Administer Food Aid - statement XXIII;

UNDP/Live Aid Foundation Trust Fund - statement XXIII;

UNDP/United Support of Artists for Africa Trust Fund - statement XXIII;

Government of France Trust Fund for the UNDP/World Bank Energy Sector Assessment Programme - statement XXIII;

Nicosia Master Plan: Implementation Phase - statement XXIII;

Finland/UNDP Trust Fund for the Construction of an Agro-Veterinary School in Rushashi - statement XXIII;

Trust Fund for Emergency Assistance to the People's Republic of Mozambique - statement XXIII;

Finland Trust Fund for National Technical Cooperation Assessment and Programme Activities (NaTCAP) - statement XXIII;

CIDA/UNDP Trust Fund for African Project Development Facility - statement XXIII;

CIDA/UNDP Trust Fund to Support the Project "Development of Underground Water Resources in Mali" - statement XXIII;

Netherlands Trust Fund for Special Action Programme for Public Administration and Management - statement XXIII;

UNDP Trust Fund for Participation of Officials from Developing Countries in the Working Group of the Committee of the Whole - statement XXIII;

Trust Fund for Special Economic Assistance Programmes - statement XXIII;

UNDP Trust Fund for Receipt of Payments by Users of the African Project Development Facility - statement XXIII;

CIDA/UNDP Trust Fund to Support Project "Recensement général de la population et de l'habitat" in Senegal - statement XXIII;

UNDP Trust Fund for the Safe Motherhood Initiative - statement XXIII;

UNDP Trust Fund for the African 2000 Network - statement XXIII;

UNDP Trust Fund in Support of the Steering Committee and Secretariat for the United Nations Programme of Action for Economic Recovery and Development, 1986-1990 - statement XXIII;

African Training and Management Services (ATMS) Project - statement XXIII;

UNDP Afghanistan Emergency Trust Fund - statement XXIII;

UNDP Fund for the Utilization of the Residual Funds for the United Nations Special Relief Office in Bangladesh (UNROB) - statement XXIII;

UNDP Fund for Emergency Assistance to the People's Republic of Bangladesh - statement XXIII;

UNDP Fund for the Programme of Assistance to the Palestinian People - statement XXIII;

Preparation of an International Research Programme on Tropical Forestry - statement XXIII;

Coordination of International Agricultural Research - statement XXIII;

UNDP Trust Fund for Social Mobilization for Development - statement XXIII;

UNDP Trust Fund for Emergency Humanitarian Assistance to Angola - statement XXIII;

UNDP Trust Fund for Namibia - statement XXIII;

UNDP/Norway Trust Fund for the Special Plan of Economic Cooperation for Central America - statement XXIII;

UNDP Trust Fund for the Regional Project "Cultural Heritage and Development" - statement XXIII;

UNDP Trust Fund for Protection of the Ozone Layer - statement XXIII.

Other trust funds administered by UNDP

76. Other trust funds administered by UNDP, as shown in statement XXIV, are:

United Nations Trust Fund for Operational Programme in Lesotho - statement XXIV;

UNDP Development Study Programme - statement XXIV.

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I) of 7 December 1946 and article XVII of the Financial Regulations of the United Nations Development Programme (UNDP), the Board of Auditors has audited the accounts of UNDP for the biennium ended 31 December 1991.

2. The examination was made in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. The examination was carried out at UNDP headquarters in New York and at field offices in Bangladesh, Botswana, China, Ecuador, Malawi, Nigeria, the United Republic of Tanzania, Turkey, Uganda and Uruguay.

3. The Board of Auditors continued its normal practice of reporting the results of specific audits in the field and at headquarters and of issuing management letters containing detailed audit observations to the Administration. This practice once again helped in maintaining a continuous dialogue with the Administration. Pursuant to regulation 12.9, the Board engaged the services of a commercial public audit firm for specific assignments.

4. The following sections deal with matters which, in the opinion of the Board, should be brought to the attention of the General Assembly. The report reflects, inter alia, the results of three cross-sectional audits related to inventory, trust funds and internal audit which the Board carried out in all organizations within its area of responsibility. The Board has discussed all its observations with the Administration and, where appropriate, its views have been reflected in the present report.

5. The report is divided into two parts covering the audit of financial statements and management issues, respectively.

Follow-up on actions taken on previous audit recommendations

6. Pursuant to paragraph 17 (a) of General Assembly resolution 46/183 of 20 December 1991, the Board of Auditors has carried out a review of the measures taken by the Administration on the recommendations made by the Board in its audit report for the year ended 31 December 1989 1/ and in its interim report for the first year of the biennium 1990-1991. 2/ The Board noted that various actions were taken. The details and comments of the Board, in some cases based on specific follow-up audits, are outlined in annexes I and II of the present report. They reveal that further efforts are needed concerning many of the issues mentioned.

1/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5A (A/45/5/Add.1).

2/ A/46/5/Add.1.

Summary of recommendations

7. The Board recommends that the following corrective actions, presented in order of priority, should be taken:

(a) Further efforts are needed to obtain audited statements of expenditure incurred by executing agencies in time for the issuance of the audit opinion on the UNDP financial statements (see para. 66 below);

(b) Appropriate measures should be taken to establish adequate property control within the organization and to ensure adequate accountability for decisions concerning cases of loss or damage of property (see paras. 114, 119, 130 and 134);

(c) The audit coverage of the organization needs to be improved (see para. 220);

(d) The internal audit mandate should be revised to provide a sufficient legal basis for carrying out audit responsibilities (see para. 214);

(e) The Division for Audit and Management Review should not be assigned any operational responsibilities (see para. 219);

(f) The pertinent instructions for the hiring of consultants should be observed (see paras. 146, 149, 154, 158 and 161);

(g) Decisions on personnel matters should be adequately accounted for through sufficient documentation and should be justified by the relevant instructions (see para. 179);

(h) The actual costs for management services should be established on a factual basis, taking into account all activities provided by the organization (see para. 184);

(i) The project appraisal and approval procedure at headquarters should be streamlined considerably (see paras. 197 and 199);

(j) The problem of timely and proper financial completion of projects should be systematically addressed on a broad scale (see paras. 231 and 232);

(k) In-depth evaluations should be used more effectively (see paras. 202, 204, 205 and 209);

(l) Office automation efforts should be planned carefully and coordinated from the beginning of a project (see paras. 137 and 142).

Summary of findings

8. The trial period for the new procedures for the apportionment of cost-sharing expenditure has not yet been completed and analysed. The Board's review showed that further improvements are needed (see paras. 60 to 62).

9. The proportion of expenditure for which no audit evidence has been received in due time from executing agencies has improved, but is still too high to waive the qualification of the audit opinion (see paras. 63 to 66).

10. The return of confirmed project delivery reports in connection with audit confirmation of nationally executed expenditure was not sufficient (see paras. 67 to 70).

11. The exchange rates used to convert foreign currency positions deviate from generally accepted accounting principles (see paras. 71 to 75).

12. Average maturities of investments appeared to be rather short (see paras. 76 to 79).

13. Reconciling items within the executing agencies operating funds were not fully cleared (see para. 80).

14. Operating funds provided to Governments were not analysed and cleared against the related project expenditure (see paras. 81 and 82).

15. Suspense accounts were not cleared in a timely manner (see para. 83).

16. Unliquidated obligations were not appropriately used in various cases. In certain instances, unliquidated obligations were recorded but not specified by expenditure. Unliquidated obligations in foreign currency were not adjusted according to the actual exchange rate (see paras. 84 to 88).

17. Items in accounts payable were not reviewed and cleared on a timely basis (see para. 89).

18. A certain liability with a reasonable probability for its existence was disclosed in the notes to the financial statements, but not accounted for (see para. 90).

19. UNDP accounting differs somewhat from generally accepted accounting principles (see paras. 91 and 92).

20. A trust fund was not sufficiently monitored and showed a considerable negative balance (see paras. 93 and 94).

21. Mostly due to an excess of expenditure over income, the total amount of investments decreased by more than US$ 322 million (see paras. 95 to 97).

22. As compared to programme costs, administrative and programme support costs have disproportionately risen since 1981 (see paras. 98 to 101).

23. Deficiencies in the preparation of budget proposals in the field led to numerous budget revisions of field offices (see paras. 102 to 105).

24. The cu ent practice of writing off small amounts of receivables does not comply with the relevant UNDP financial regulation (see paras. 106 and 107).

25. Delayed submission of sufficiently substantiated travel claims caused uncleared advances of more than US$ 840,000 (see paras. 108 to 110).

26. Current modalities at headquarters in cases of loss or damage of UNDP property do not ensure adequate accountability. The decisions of the Headquarters Property Survey Board were not based on documented and approved principles. Summaries of headquarters and field property losses were not submitted to the Controller and the external auditor of UNDP as required (see paras. 112 to 117).

27. At UNDP headquarters, no adequate property control has taken place since 1988 (see paras. 118 to 121).

28. The value of non-expendable equipment, as currently stated in the financial reports, is based on a rough estimate and therefore misleading (see paras. 122 and 123).

29. Basic information for efficient property management and economic use of resources was not available (see paras. 124 and 125).

30. Physical security of UNDP property was not ensured at headquarters. At least four theft cases occurred, involving equipment valued at several thousands of United States dollars (see paras. 126 to 131).

31. A review of vehicle management in field offices revealed numerous infringements of pertinent instructions (see paras. 132 to 134).

32. So far, more than 3,000 computers have been installed without a standard office automation plan and a global communications strategy (see paras. 135 to 137).

33. In connection with electronic data-processing projects, no cost-benefit-analyses and evaluations were conducted (see paras. 138 to 140).

34. Headquarters failed to control and coordinate appropriately the development of an automated field office inventory system (see paras. 141 and 142).

35. For the category of so-called special management service contracts (SMSCs), no legal basis exists (see paras. 144 to 146).

36. Consultants' contracts were not submitted to the Contracts Committee as required (see paras. 147 to 149).

37. In violation of pertinent United Nations provisions, consultants were engaged for periods of several years on consecutive contracts (see paras. 150 to 154).

38. A consultant delegated part of his tasks to staff members. No performance evaluation was carried out (see paras. 155 to 158).

39. The contractual arrangements for a special adviser infringed upon relevant provisions in numerous respects (see paras. 159 to 161).

40. Contracts with consulting architects showed various deficiencies, such as a lack of competitive bidding (see paras. 162 to 166).

41. The guidelines for development support services (DSS) do not provide sufficient guidance and do not ensure proper use of funds (see paras. 167 to 169).

42. The development support services guidelines allowed for a longer duration of consultants' contracts than the pertinent provisions of the Secretary-General (see para. 170).

43. Contrary to the concept for development support services, field offices recruited a considerable number of consultants, but not locally (see paras. 171 and 172).

44. Although not justified in view of the relevant instructions, staff members were granted special leave with full pay. Supernumerary staff were assigned to activities for which no established posts had been approved or were loaned to other organizations without reimbursement. The relevant decisions, their reasons and the respective authorization were not sufficiently documented (see paras. 173 to 179).

45. The level of revenues from management services agreements was rather low as compared to the Administration's own estimates and agency support costs (see para. 182).

46. The current method for the computation of fees for management services has serious deficiencies which are likely to impair the validity of the results (see paras. 183 to 186).

47. The effects of practising two-year budgeting could not be sufficiently determined and verified on the basis of factual data (see paras. 187 to 191).

48. Many of the projects submitted to Project Appraisal Committees were not prepared as necessary. Most of the input provided by Project Appraisal Committees could have been obtained more efficiently. Several requirements concerning the project appraisal process were not complied with (see paras. 192 to 199).

49. Instructions calling for a project evaluation under certain circumstances have led to an automatism in conducting evaluations irrespective of the practical benefit (see paras. 201 and 202).

50. Results of evaluations had little practical value or provided information that could have been available through adequate monitoring (see paras. 203 and 204).

51. Evaluation missions were not always sufficiently prepared (see para. 205).

52. Material recommendations of evaluation reports were not implemented as appropriate (see paras. 206 to 209).

53. The regional bureaux did not use standardized criteria and a uniform system for the allocation of the workload (see paras. 210 and 211).

54. The internal audit mandate, as currently laid down, does not provide a sufficient basis for carrying out the respective responsibilities (see paras. 213 and 214).

55. The Division for Audit and Management Review (DAMR) has been assigned operational functions besides its audit responsibilities (see paras. 215 to 219).

56. The current audit coverage of UNDP activities by DAMR is not sufficient (see paras. 220 to 222).

57. A medium-term audit plan was not available. Considerable parts of the initial annual audit plans could not be implemented as scheduled (see paras. 223 to 225).

58. Over several years the United Nations Capital Development Fund (UNCDF) sustained a high liquidity instead of expending the available resources in accordance with its mandate (see paras. 227 and 228).

59. Basic requirements for the closure of UNCDF projects were not complied with (see paras. 229 to 232).

Part I: Financial statements

Expenditure

Apportionment of programme expenditure to cost-sharing

60. In reply to previous audit findings related to the apportionment of programme expenditure, the Administration had pointed out that new procedures had been introduced on a trial basis which would be reviewed in 1990. 3/ The new procedures should ensure better documentation and provide adequate justification for exceptions from the normal cost-sharing apportionment exercise. Reviewing the matter again in April 1992, the Board found that the trial period had not yet been completed and an analysis of its results not yet been carried out. This should be undertaken as soon as possible.

61. Checking a random sample of projects for which the expenditures were not divided in the proportion stated in the project budget, as is the general rule laid down in the UNDP Programme and Projects Manual (PPM, section 10203, sub-section 1.0), the Board found that, in most cases, the information provided was not sufficient to assess the underlying reasons for the deviations from the normal procedure and to initiate appropriate action by headquarters in order to reduce the number of exceptions. In this respect, the concept currently used needs further improvement.

62. The Administration assured that, in view of the Board's comments, revised instructions were being drafted on the basis of experience gained in the last two years that would be communicated to UNDP field offices prior to the 1992 apportionment exercise. These instructions would be intended to provide a more detailed basis for considering exceptions and reducing their frequency.

3/ See Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5A (A/45/5/Add.1), sect. II, paras. 54-57.

Programme expenditure incurred by United Nations executing agencies

63. As stated in its previous reports, the Board has to rely on the work of other auditors to gather adequate evidence regarding programme expenditure and programme support costs reported by UNDP and trust funds. The fact that audited statements submitted by executing agencies of the United Nations system were not received before the closing of the accounts, nor before the issuance of the audit opinion, led the Board to qualifying its opinion on the 1989 accounts.

64. In the course of the audit carried out during the biennium 1990-1991, the Board also reviewed the subsequent receipt of the audited agency statements for the year 1989, or for the biennium 1988 and 1989 for such agencies accounting on a biennial basis. As it turned out, except for minor adjustments, as presented in note 10 to the financial statements, the audited statements agreed with the statements included in the 1989 accounts and, for such agencies accounting on a biennial basis, with the combined 1988 and 1989 accounts.

65. For the biennium ended 31 December 1991, programme expenditure amounting to $297 million out of a total of $1,168 million incurred by United Nations executing agencies, which are not under the audit responsibility of the Board, were supported by audited statements as of the date of the finalization of the financial statements of UNDP. Although the situation has slightly improved, again no sufficient audit evidence was provided by such agencies. The Board has reviewed the unaudited statements submitted by the agencies or the audited statements, if available, for the biennium. They are properly reflected in the financial statements of the organization.

66. The Board wishes to point out that the problem of insufficient audit evidence regarding executing agencies at the time of the finalization of the accounts still persists and further efforts are needed to improve the situation. The Administration indicated that it would continue to work closely with the executing agencies to speed up the process in order to receive audited statements in due time.

Nationally executed programme expenditure

67. Nationally executed programme expenditure is based on the status of funds and project delivery reports certified and submitted by the Governments concerned. The project delivery reports are generated directly by headquarters for such certification purposes. This procedure, established in 1989, should secure a more proper and timely reporting of expenditure. However, the confirmation of the government involved is still essential for correct accountability.

68. As at the end of April 1992, out of a total of 1,358 projects, only 21 certified reports were received. Audited statements were not received. Audit coverage could therefore not be considered sufficient.

69. Taking into account that currently only 12 per cent of total expenditure is nationally executed, the Board is, however, of the opinion that sufficient audit evidence could be achieved if:

(a) All project delivery reports were received in due time;

(b) A long-term audit plan would be established in agreement with the Board of Auditors that would ensure that each project is at least audited once during its lifetime and major projects are audited more regularly, that is, annually or, at least, biennially. The results would have to be monitored on an ongoing basis. As the percentage of nationally executed expenditure compared to total expenditure is steadily growing, the audit plan would have to be adjusted accordingly to ensure adequate audit coverage. This would result in a better timing of such audits and would be more cost-effective.

70. The Administration agreed with the Board of Auditors and expressed its intention to initiate the necessary steps to establish a long-term audit plan and follow-up on outstanding programme delivery reports.

Assets

Investments

71. Foreign currency investments and cash positions are translated at official United Nations rates for financial statement purposes. These differ somewhat from year-end rates used by financial institutions for subject currencies. This results in a mismatch of income or expenditure between the subject periods.

72. It was recognized that the difference to the market rates is disclosed in note 1 (c) to the financial statements. However, to be in accordance with generally accepted accounting principles, the effect should be accounted for as income/expenditure of the subject year/biennium.

73. The following analysis shows the above effect compared to investment income for subject years/biennium:

	Year		Biennium
	Thousands of United States dollars		
	1988	1989	1991
Total investment income	86 571	101 931	182 459
Difference of the market rate to the United Nations rate	(11 200)	19 200	18 300
Difference as percentage of income	12.9 per cent	18.8 per cent	10.0 per cent

74. The Administration replied that, under the existing financial regulations and rules, disclosure of the difference in valuation by means of a note to the financial statements seemed reasonable and adequate. Besides, following a recommendation by the Panel of External Auditors, the question of general accounting principles applicable to the United Nations system was currently being reviewed by a working group under the auspices of the Consultative Committee on Administrative Questions.

75. The Board holds the view that, particularly in regard to these efforts, United Nations organizations should try to adhere to generally accepted accounting standards wherever feasible.

76. The Board's analysis of the investment structure revealed that the maturity of investment decreased during the biennium. Not even the general reserve of US$ 225,000,000 was invested in long-term maturities.

77. As already stated in the previous report of the Board, the maturity of investments should be increased to longer-term to secure consistent interest income over a given period and to avoid unforeseeable variances in interest rates. At least an amount equivalent to the general reserve should be invested in long-term maturities.

78. The Administration basically agreed, but pointed out that the investment portfolio was structured to respond to the cash requirements of its four components, namely, UNDP general resources, the Operational Reserve, the Reserve for Field Accommodation, and supplementary activities. The structure of the portfolio at the end of 1991 had been consistent with the needs of each segment. Therefore little, if any, funds could have been placed for longer periods.

79. The Board holds the view that a potential for investment in longer-term maturities exists and that more efforts should be undertaken in this regard.

Operating funds with other executing agencies

80. For each agency, a reconciliation of the fund balance is performed at the end of the biennium. Some reconciling items in the balance are rolled-over from year to year. In the Board's opinion these items, besides identified timing differences, represent expenditure not recorded in the past. They should be analysed for each agency and, if unidentifiable, should be written off. The Administration will follow the recommendation.

Operating funds provided to Governments

81. In statement II, as at 31 December 1991 a total of US$ 18,709,444 is shown as operating funds provided to Governments for UNDP-executed projects. Most likely, involved Governments had received the funds and spent them on the relevant projects, but had not prepared the necessary paperwork, such as delivery reports. In the opinion of the Board, accounts showing no movement should be examined more closely and clarification should be sought. This might result in a more timely accounting basis and more accurate information in the financial statements.

82. The Administration indicated that the balance, in addition to unreported expenditure, included advances to Governments on the basis of expenditure forecasts for which actual delivery did not meet the goal. Expenditure submitted after the closure date would be recorded in 1992 and delivery reports still outstanding would be monitored. The Board stresses the need to clear such balances.

Other accounts receivable and suspense accounts

83. As in previous years, within the other accounts receivable and suspense accounts section, various balances were uncleared and posted to suspense accounts, although mainly representing expenditure which had not been timely cleared and recorded as such. Accounts concerned were mainly unprocessed telecommunication charges, medical supplies and equipment, open accounts with separated staff, travel advances, salary and education grant advances, and OPS suspense and clearing. Following the Board's recommendation, the Administration will attempt to clear such accounts on a more timely basis.

Liabilities

Unliquidated obligations

84. In certain instances, unliquidated obligations were recorded but not specified by expenditure. These blank authorizations partly resulted in savings, since the authorization was usually higher than the expenditure actually incurred. Unliquidated obligations were also set up blank in some instances, violating the accounting principles stated in note 1 to the financial statements. The Board strongly recommends that unliquidated obligations should only be recorded if detailed and proven in advance.

85. A review of unliquidated obligations as at 31 December 1991 in the area of travel accounts revealed that a considerable number of obligations had not been finally liquidated. In half of the sample, the related travel had taken place more than a year ago or had even been cancelled. The Board recommends that the control of obligations in this area should be improved and the approving officer or the originating office should be held responsible for follow-up on travel performed. In order to ensure proper valuation in the statements, all obligations at the end of a biennium should be confirmed with the project management officer before year-end closing.

86. Various unliquidated obligations for purchase orders which were contracted in foreign currencies, resulted when settled in considerable over- and under-obligations due to exchange rate variances. The Board recommends that, for the inclusion in the financial statements, the amount in foreign currency should be adjusted according to the actual exchange rate.

87. The Administration will initiate the necessary steps to raise obligations only in conformity with the requirements. It was pointed out, however, that in regard to blank authorizations, they were used to cover contracting activities delegated to the field. They were mostly based on plans submitted by the field and issued without contracts or other documentation available at headquarters. At year-end, all obligations were cancelled unless they constituted valid legal obligations. This procedure had to be continued in order to implement UNDP's policy of increased decentralization.

88. The Board holds the view that unliquidated obligations are not appropriately used in these cases. Other mechanisms should be developed for the indicated purposes. The practice of recording unliquidated obligations at executing agencies was not reviewed by the Board.

Other accounts payable

89. A review of various accounts payable revealed that items remained uncleared for extended periods, for example, the current account with the United Nations. The Administration stated that it had already initiated follow-up measures with the United Nations to clear subject accounts.

Disclosure in the notes to the financial statements

90. According to note 8 to the financial statements, a liability of US$ 1,810,003 has to be met by UNDP. In statement II, only US$ 186,871 is shown as liability. Under generally accepted accounting principles, the whole amount has to be accrued if the probability of a liability exists. The Board suggested that additional accrual be effected for the difference of US$ 1,623,132. The Administration will review the treatment of such amounts.

Deviations from generally accepted accounting principles

91. As in previous years, the Board reviewed the financial statements in terms of compliance with generally accepted accounting standards and principles. Major deviations persist, for example, UNDP uses cash accounting for income and accrual accounting for expenditure; applied exchange rates do not reflect official market rates; and certain accruals mentioned in the notes are not set up in the financial statements.

92. The Administration pointed out that, following a recommendation of the Panel of External Auditors, the question of generally accepted accounting standards and principles applicable to the United Nations system was currently being reviewed by a working group under the auspices of the Consultative Committee on Administrative Questions.

Trust funds

93. Trust funds shall be accepted only on a fully funded basis. The Administrator shall modify or terminate activities if there is a shortfall in trust fund financing. A review of trust funds revealed that the Afghanistan Emergency Trust Fund closed with a negative balance of US$ 1,360,856. This negative balance was mainly due to an excess of expenditure over income in 1991. On the other hand, there was a budget of US$ 2,011,093, of which the executing agency spent US$ 1,526,128. No budget adjustments were made.

94. The Administration will take corrective action as appropriate. In the opinion of the Board, such action is overdue in the above case.

Liquidity position

95. The audit included a review of the liquidity position of UNDP, as requested by the General Assembly at its forty-sixth session. For purposes of such a review, maturities exceeding the financial reporting period (two years) were considered long-term, the general resources and the unexpended resources were considered short-term.

96. As can be seen from the tables in annex III of the present report, the liquidity of UNDP as at 31 December 1991 showed an excess of current assets over current liabilities in the amount of US$ 179,184,352 compared to the previous period of US$ 169,390,472. The liquidity increased by US$ 9,793,880, which is explained by a decrease in the long-term investment portfolio by US$ 18,390,782, compensated by an increase in the reserve for field accommodation of US$ 8,596,902.

97. At the end of the biennium, the total amount of investments (long- and short-term) decreased by US$ 322,031,120, which was mainly due to the fact that expenditure exceeded income by US$ 322,578,729 and the investments had to be used to cover such excess expenditure. Consequently, the balance held for general resources of US$ 263,368,291 as at 31 December 1991 would cover only approximately two to three months of disbursements (compared to five to six months in 1989), not taking into consideration income received during that period.

Part II: Management issues

Budgetary control

Budget trends

98. During the period 1981 to 1991, the total costs for UNDP activities increased from US$ 937.5 million to US$ 1,508.7 million, or by approximately 61 per cent. The core budget rose by 119 per cent and programme support costs by 545 per cent, while project and agency support costs went up by 52 per cent.

99. As the Administrator stated in his report of 9 April 1991 (DP/1991/49, vol. I, para. 10), biennial budget growth should, in principle, correspond to programme expansion. None the less, he proposed an increase in administrative

costs by 9.6 per cent and in programme support costs (now: programme support and development activities) by 72.5 per cent, while programme costs were supposed to rise by only 3.4 per cent.

100. The Administration responded that the budget strategies for 1992-1993 and 1994-1995 had been adopted, fully mindful of the general trend referred to by the Board of Auditors. In particular, the budget strategy for the next biennium was based on further cost reduction and increased transparency regarding the nature of the services rendered by UNDP field offices to non-UNDP financed programmes and the associated costs thereof. Preliminary information indicated that an estimated 45 per cent of field office workload was not related to indicative planning figure (IPF) expenditure. Furthermore, it was important to distinguish clearly the pattern and nature of expenditure over time, particularly as such expenditures might respond to additional requests made or expansions approved by the Governing Council. Consequently, any comparison between the budget expenditures and the delivery under such programmes should be made with the appropriate caution and qualifications.

101. The Board is aware of the factors outlined in the Administration's response and has, on several occasions, expressed its concern about the correct delineation of costs (see annex II to the present report). None the less, the Board holds the view that the long-term development in the use of UNDP resources reveals a general trend that calls for close monitoring in future years.

Field office budget management

102. From 1988 through 1990 the number of field office allotment revisions increased from 487 to 539, which is an average of 4.6 revisions a year for each field office. Reviewing a sample of 14 field offices with at least five revisions in each of the years 1988 through 1990 the Board found that seven of these offices had not submitted any budget proposals for several years. Initial, mid-year and final revisions accounted for 46 per cent of all revisions, additional field office requests during the year for 31 per cent. In 9 per cent of the cases the budget proposals of the field office had initially been rejected by headquarters. The remaining 14 per cent were caused by a variety of reasons such as salary or exchange rate adjustments or unforeseen incidents. Despite the many revisions, 11 field offices exceeded their allotments at the end of the biennium at least slightly.

103. Most of the revisions caused by additional requests or by requests that were initially not approved by headquarters could be avoided if all field offices submitted budget proposals as required, foreseeable developments were assessed more carefully by the field offices, and requests for funds were justified properly and sufficiently. Many field offices seem to be unable or unwilling to discharge their responsibilities with the diligence required. Headquarters will have to monitor more closely the performance of field offices in this respect. Moreover, with a view to more effective budget management, field offices' budget revisions and their causes, as well as trends in expenditure development, should be recorded and analysed by headquarters.

104. The Administration stated that there were legitimate needs for revisions, owing to the changing nature of development assistance. Therefore, in 1991

budget authority had been delegated to resident representatives allowing them more flexibility, while still maintaining the necessary accountability and controls. Preliminary findings indicated that the measure was yielding positive results. The small amounts in cases of overexpenditure did not indicate a deterioration of budgetary discipline in the field.

105. Based also on observations on subject-matter in the field during the past biennium, the Board strongly suggests close monitoring of the effects of the delegated authority to ensure that mismanagement and possible misuse are detected before serious financial loss to the organization occurs.

Travel

Write-offs of staff member receivables

106. In an effort to improve administrative efficiency, the Administration decided in January 1990 not to recover amounts of less than US$ 30 owed to UNDP in respect of any travel, shipping or insurance transaction and to charge these amounts directly to the relevant allotment line. According to UNDP financial regulation 14.4, the writing off of losses of assets may, after full investigation, be authorized, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts. Such a statement could not be provided since these cases of write-offs are no longer recorded. Neither were the individual cases investigated.

107. The Board does not dispute that writing off the amounts without an investigation and without notification to the Board might be the most efficient way for UNDP to deal with cases involving only small amounts of resources. However, the current procedure is not in compliance with the relevant financial regulation which does not allow for any exceptions. It should be discontinued unless the financial regulation is amended appropriately. Administration will pursue a revision of the relevant financial regulation.

Clearing of travel advances

108. As at 31 December 1991, uncleared travel advances amounted to almost US$ 840,000, which represented an increase of 19 per cent as against year-end 1990. Efforts to clear these advances had been unsuccessful since it takes individuals (staff members or consultants) and units concerned up to two years to respond to requests for clarification. In several cases, the same individual had more than two outstanding advances. According to the General Administration Manual (GAM), travel claims must be submitted within two weeks after the travel has been completed. A staff member with two outstanding advances cannot undertake any further official travel unless the necessary claims for previous travel have been submitted.

109. In order to enforce compliance with the GAM provisions, the Board suggested charging outstanding advances against the salaries of the respective staff members if the travel claim and the relevant information is not submitted within the time-frame. In addition, advances should be reduced to 80 per cent for staff members and 70 per cent for consultants. Administration assured that the recommendations had mostly been implemented. It was,

however, not considered cost-effective to have a different advance rate for consultants.

110. The Board wishes to recall that different rates were also applied in the past. As no salary deductions are possible in the case of consultants, the Board considers it justified and necessary to differentiate between both groups.

Expendable and non-expendable property

111. This section contains, inter alia, the results of a cross-sectional audit on the issue of inventory management involving all organizations within the purview of the Board of Auditors, as mentioned in the introduction to the present report.

Property survey at headquarters

112. The Headquarters Property Survey Board (HPSB) is to recommend to the Assistant Administrator, Bureau for Finance and Administration, appropriate measures in cases of theft, loss, damage or disposal of property (see Organization Handbook, sect. 15009). Reviewing a number of cases dealt with by the HPSB, the Board found inconsistencies and a lack of clarity in the activities of HPSB that could not be explained.

113. A specific example is case No. 46/87 discussed at the 139th meeting of the HPSB. As far as could be concluded from the files, an official driver of the UNDP field office in Peru had an accident involving damage to a UNDP vehicle of about US$ 9,400 and injuring himself badly. According to an internal audit report, the driver had been in a state of utter fatigue after nine consecutive days, with an average of 14 working hours driving the wife of a former high official of the United Nations for private purposes. Although the internal audit report had stated negligence on the part of the field office and recommended that the responsibilities of other staff members should be established, corresponding actions were not documented in the files of the HPSB. The damage to the vehicle was written off. Referring to the time that had passed since the incident had occurred neither the HPSB nor the Assistant Administrator of the Bureau for Finance and Administration could provide information as to what action had been taken and as to why UNDP funds had been involved in this case.

114. The Board concludes from its review that the current modalities of decision-making do not ensure adequate accountability. The Assistant Administrator of the Bureau for Finance and Administration has to be guided largely by the experience of the members of the HPSB and their particular deliberations, while the individual members of the HPSB are mainly absorbed by other responsibilities and usually have no knowledge of the situation they are supposed to assess. Consequently, they have often to rely on the report of the respective resident representative, who might even be involved in the specific case himself. Moreover, and despite frequent changes in the composition of the HPSB, decisions are not documented with the necessary accuracy. In view of the need for full accountability for UNDP's decisions, current arrangements should be reconsidered.

115. The HPSB's decisions are guided by principles which are neither documented nor approved by the Administrator. UNDP financial rule 103.2 is interpreted generously. In particular, financial liability is limited to cases of gross negligence and claims against third parties for relatively small amounts - a term that was not defined further - are not considered worth pursuing.

116. The Administration intends to review the policies and procedures governing UNDP property. On a priority basis, the issue of accountability was being reviewed. With regard to the specific case in Peru, the Administration finds it regrettable that it occurred and will avoid the recurrence of such situations. Alternative mechanisms to the HPSB were being reviewed. In the meantime, the Administrator had asked the members of the HPSB to undertake a careful review of the guidelines and to establish clear-cut procedures and criteria to avoid inconsistencies. The Board reiterates that measures have to be taken with priority.

117. The secretariat of the HPSB is responsible for preparing a summary of headquarters and field property losses for the Controller and the external auditors. So far, no such summary has been provided. The Administration assured the Board that this will be done in future. A first report covering all losses and write-offs in 1992 will be available in January 1993.

Inventory management systems

118. An automated inventory system was launched in 1987. However, owing to several shortcomings such as the structure of the database and the inflexibility of the software, it was soon found impossible to keep track of all property movements. In 1989, a system for computerizing purchase orders was installed which was, however, not interfaced with the inventory system. Simultaneously, another division had developed its own computerized procurement system, which was not compatible with any of the two other systems. Currently, a new system is being developed as a sub-system of the Integrated Administrative System, which is supposed to remedy these problems. It will, however, take three to five years until this system can become operational.

119. Ever since 1987, no inventory print-outs could be made available to confirm the physical presence of the recorded items. Neither have periodic physical counts been carried out as required by financial rule 114.28. Consequently, there is no adequate property control, particularly with regard to physical asset verification, physical inventory counts, and recording of changes in property. As this situation has prevailed for several years, significant losses of the organization's assets cannot be ruled out. Remedial action is required.

120. Based on post-facto checks, the Administration attributed only a limited likelihood to the possibility that there have been significant losses to UNDP property in the past. Following a reassessment of the present inventory practices and guidelines, the Administration will decentralize the responsibility of inventory management. A review will be undertaken to identify how best to consolidate the current procurement/inventory practice into a single decentralized system. As an essential component of such an approach, commercially available computer software would be procured in the near future.

121. The Board appreciates that measures to improve the situation are now being initiated. However, costly interim measures and considerable financial damage to the organization due to inefficient use of resources, let alone the unidentifiable damage due to property losses caused by the lack of reliable internal control, could have been avoided if chances and risks of in-house developments had been assessed earlier and more carefully and if the development had been coordinated between the units concerned.

Value of non-expendable equipment

122. As no relevant inventory records for UNDP headquarters equipment exist, the value of non-expendable equipment stated in the UNDP financial reports (US$ 9.9 million as of year-end 1989) is based on a rough estimate only. As for the equipment at field offices (value according to the financial report for the year ended 31 December 1989: US$ 21.4 million) estimates are used in some cases as well. The equipment items are valued at cost and no depreciation is indicated. In the Board's opinion, these statements have no valid basis and are actually misleading.

123. The Administration agreed that the value of assets as currently presented in the financial report had little meaning, but questioned the usefulness of defining in more detail any such value, especially given the non-use of depreciation in the United Nations system. It was intended to look into this matter as part of the review of the inventory system.

Analysis of turnover and use of property

124. Owing to the indicated lack of adequate property control, basic information needed for an analysis of turnover and the use of property is not available. Accordingly, there is no systematic way to detect surplus property that should, as required by financial rule 114.32, be reported to the Assistant Administrator of the Bureau for Finance and Administration. So-called focal points that should inform the responsible division of the reassignment of non-expendable property items and of any surplus items have not been established in the organizational units. Therefore, decisions about the procurement of equipment have to be made without an overview of any surplus of the required item in other units and without a guide on the standard serviceable life of equipment items.

125. For efficient property management and economic use of UNDP resources, the Board considers an analysis of turnover and information on the use of property items indispensable. Besides, based on more reliable information the preparation of the budget estimates and decisions on equipment requirements of organizational units would also become more reasonable. The Administration replied that this question will be addressed through the new decentralized system of inventory management.

Physical security of property

126. There were no written instructions concerning the physical security of UNDP property. At the time of the audit, not even a list showing the location of UNDP's offices and storerooms could be provided, but has been drawn up in the meantime.

127. Owing to a lack of space, all supplies and equipment with the exception of a few attractive items are kept in the offices. Access to the floors is normally secured by magnetic card keys. In the DC-1 building this system had, however, been out of operation for more than a year because changes required by the New York Fire Department had to be implemented.

128. Equipment or other property issued to individuals for their official use was not recorded as issued on loan by the responsible division, as required by financial rule 114.31. Some organizational units had, however, established their own security systems for attractive items.

129. No lists of equipment, or at least of attractive items, were available at headquarters. Consequently, the physical security of selected items could not be checked systematically by the Board. Reviewing the files of the HPSB, the Board found evidence of at least four theft cases within the last two years, involving equipment valued at several thousands of United States dollars.

130. The Board emphasized that, in order to ensure effective financial administration and the exercise of economy in compliance with financial regulation 14.1, a complete security concept needs to be developed and incorporated in an administrative instruction to be circulated to all staff members. The instruction should also include specific provisions on the issuance of equipment on loan.

131. The Administration agreed and will issue respective guidelines by the end of 1992. The introduction of a functional inventory system would also enable UNDP to generate consolidated inventory records to keep track of equipment returned for disposal, storage or reallocation.

Use and control of official vehicles

132. The Board carried out a cross-sectional review of the use and control of official vehicles in 10 field offices, revealing numerous infringements of relevant instructions in virtually every case. With respect to control mechanisms, the vehicle daily logs, which are kept to enable monitoring the use of vehicles and their fuel consumption, showed serious deficiencies in 8 of these 10 cases. As there was no proper supervision, misuse of the vehicles and of fuel could not be excluded. In one case, there was no control mechanism at all for the 19 official vehicles maintained by the office. No vehicle history records were maintained in three offices. In two cases, vehicles for representation had been purchased exceeding the mandatory UNDP standards. In one of these cases, headquarters' authorization was obtained by deception and an additional expenditure of US$ 13,000 was incurred.

133. Project cars were used for administrative purposes at three locations. In some field offices, the use of official vehicles for private purposes or for transportation of international staff to and from the office without mileage allowance was observed. In three offices, an official vehicle was exclusively assigned to a staff member other than the resident representative.

134. The Administration assured the Board that corrective action was being taken in the indicated cases. However, as the deficiencies observed were numerous and widespread, the Board considers the use and control of official vehicles in field offices to be generally insufficient. Therefore, a more

comprehensive approach to ensure a functional control mechanism for vehicles and economic use of resources is considered necessary.

Computer operations and electronic data-processing (EDP) systems

Planning of office automation

135. At headquarters and in the field more than 3,000 microcomputers have been installed so far. However, a standard office automation plan and a global communications strategy have not yet been developed.

136. The Administration pointed out that the introduction of office automation into UNDP had been much the same as in both the public and private sectors. A critical mass of automated facilities and systems was now in place to receive and absorb guidance in further automation efforts and to link the possibilities to the business requirements. Accordingly, three major initiatives had been undertaken to provide for careful information production and information use planning.

137. The Board holds the view that procuring hardware and software on such a large scale is a costly way to identify consumer needs and the benefits of automation. Instead, automation should be undertaken on the basis of careful planning at an early stage. It is, however, appreciated that steps towards improvement are now being taken.

Management of electronic data-processing projects

138. The Board observed that neither cost-benefit-analyses nor evaluations of electronic data-processing (EDP) projects had been carried out by UNDP. Cost-benefit-analyses would facilitate management decisions by providing a sound rational basis. Regular evaluations for projects should verify that implementation is proceeding as planned. Thus, if necessary, adjustments to the planning can be made or the project can be discontinued to save further resources. Evaluations after completion are made to determine if the objectives of the project have been achieved or if measures need to be revised. They should also identify lessons to be learned for the future. All these measures are standard instruments that should be applied by UNDP as well.

139. The Administration basically agreed, but emphasized that benefits should not only be measured by cost or resource savings but also in terms of increased capacity, productivity and capability. Meanwhile, all development projects of the Management Information Services had been subjected to cost-benefit reviews.

140. The Board suggests that it be made evident and adequately justified in the decision-making process if decisions concerning EDP projects are based on other considerations than the most efficient use of resources.

Automated field office inventory system

141. Until 1990 there was no uniform system for delivering the annual field office inventory reports to headquarters. Some field offices still compiled the information manually, while others had developed their own computerized systems. At headquarters, the information had to be processed manually to

update the centralized UNDP inventory records. In 1990, one of the systems developed in the field was taken as the model to be used by all field offices.

142. It is the responsibility of headquarters to coordinate field support, provide services to field offices for management information systems and make recommendations for the use of office automation software. The development of the said system should therefore have been, and future developments should be, controlled and coordinated by headquarters from the beginning. Administration has taken initiatives to ensure that future development efforts will be coordinated by headquarters.

Consultants, experts and temporary assistance

143. The Board has, on several occasions, most recently in the interim audit report issued in 1991, dealt with deficiencies related to the engagement of consultants. The results of the Board's follow-up concerning the retroactive signing of contracts and the development of a new strategy for short-term personnel are included in annexes I and II to the present report.

Special management service contracts

144. In late 1986, UNDP developed a new category of contracts called special management service contracts (SMSCs). Between 1987 and April 1992, 205 such contracts were signed, mostly for EDP specialists, who meanwhile outnumber professional staff members in the Division for Management Information Services by more than two to one. In the biennium 1990-1991, more than US$ 6.2 million were spent on such contracts. None the less, SMSCs are neither covered by the relevant United Nations guidelines (Secretary-General's bulletin ST/SGB/177 of 19 November 1982 and the pertaining administrative instructions ST/AI/295-297) nor do they comply with United Nations staff rules. Therefore, there is no legal basis for hiring consultants under such arrangements. Besides, continuously employing consultants who perform staff functions is tantamount to creating new posts and thus interferes with the Governing Council's authority to approve the staffing table.

145. The Administration responded that UNDP had requirements for which the existing standard contractual instruments had not been found to be adequate. The Governing Council had been made aware of these requirements and had endorsed the approach taken. UNDP was seriously engaged in superseding the SMSC arrangement with a sounder contractual format.

146. The Board acknowledges the need for more adequate contractual devices, but stresses that compliance with pertinent provisions is not discretionary and that the employment of consultants and other short-term personnel must not lead to by-passing the staffing table. The use of SMSCs should, therefore, be discontinued immediately.

Submission to the Contracts Committee

147. In at least seven cases of hiring consultants in recent years, contracts involving commitments for UNDP of more than US$ 70,000 each were not submitted to the Contracts Committee, although this is required by financial rule 114.21.

148. The Administration has assured the Board that appropriate action would be taken in 1992 to issue revised guidelines to the units concerned to clarify the delegated authorities, including application of the necessary checks and balances and reporting mechanisms that would be required. Until then, except for special service contracts, consultancy contracts exceeding US$ 70,000 would be submitted to the Chief Procurement Officer through the Contracts Committee.

149. In the Board's opinion, financial rule 114.21 does not exempt any category of contracts committing more than US$ 70,000 from the requirement of being submitted to the Contracts Committee. Pertinent provisions should be observed.

Duration of contracts

150. From October 1988 up to the end of 1991, a former staff member of UNDP was employed as a consultant on consecutive contracts of different modalities, involving fees of above US$ 180,000 and total costs of more than US$ 250,000. According to pertinent United Nations provisions, the services should be limited to a maximum of six months in any period of 12 consecutive months. Only under exceptional circumstances may the duration be extended to 9 or 12 months.

151. The Administration basically agreed that consultants should not be employed by means of various modalities on a long-term basis. It would be ensured that such practices were avoided in the future. The relevant United Nations provisions would be followed to the extent possible, with any cases of justified exception specifically approved by the Administrator himself and reasons thereof recorded.

152. In another case, a staff member who retired in 1987, six years after he had reached the normal age of retirement, has since then been employed as a consultant through special service agreements. Apart from the fact that the provisions concerning the duration of such contracts were violated, in this case they were apparently used to circumvent retirement requirements for staff members.

153. The Administration explained that the adviser provided assistance on a number of extremely important matters, the circumvention of retirement requirements would, however, be corrected in the near future.

154. The Board reiterates that, apart from the question of the legality of specific contractual arrangements, there is no basis for employing consultants permanently like staff members, regardless of the reasons for such a measure.

Responsibilities of consultants and performance evaluation

155. According to the current contract covering the period between September 1991 and August 1992, a former Associate Administrator of UNDP provides advice to the Administrator "on matters relating to the Programme as required by the Administrator". One of the tasks required of him was the preparation of a paper. Eight staff members provided advice and assistance. In one case, a 15-page paper was contributed, absorbing a full week of the staff members' work plan.

156. Consultants are not staff members and not supposed to delegate any of their responsibilities to UNDP staff. Moreover, as already brought to the attention of the Administration on other occasions, the services expected from a consultant and the time needed for their completion should be specified more precisely in contracts in order to facilitate a performance evaluation, which, in this case, as in many others, was not carried out as required.

157. The Administration commented that the adviser's role was to distil and synthesize existing knowledge and provide overall strategic direction for individual studies. In addition, he provided advice to the Administrator on a broad range of UNDP matters. Under those circumstances, it was not considered necessary to specify a more precise description of tasks or completion dates. All obligations had been adequately met, since it was normal practice for consultants to receive inputs and contributions from staff members.

158. Notwithstanding the specific role of a senior adviser to the Administrator, the Board is of the opinion that the contractual requirements should in such cases be adhered to as in any other consultancy contract. Further, it should not be a normal practice that sizable parts of a consultant's task are contributed by UNDP staff.

Specific contractual arrangements for a special adviser

159. In January 1989, an individual was asked to consider a long-term relationship with UNDP as Special Adviser to the Administrator. He was assured that his payment would be based on the salary and related allowances of an Assistant Secretary-General. This led to a variety of contractual arrangements disregarding related United Nations and UNDP rules and instructions:

(a) The consultant was engaged for a consecutive period of more than three-and-a-half years (until April 1992), although such employment should normally be limited to six months and should not exceed nine months in any 12 consecutive months;

(b) The contractual arrangement used (Special Management Service Contract) does not comply with existing stipulations and creates a new category of staff not authorized by the General Assembly;

(c) The consultant received a fee of initially US$ 350 per weekday, later modified to US$ 475 per working day and, in September 1990, raised to US$ 500 per working day which, so far, has resulted in a total of approximately US$ 380,000. This remuneration, equivalent to that of an Assistant Secretary-General, was granted without a corresponding post being authorized by the Governing Council;

(d) At least part of the time the costs for the consultant were charged to a vacant Assistant Secretary-General post in UNDP;

(e) The costs for the adviser's move to New York (about US$ 3,500) were covered by UNDP, although such a benefit applies only to regular staff members;

(f) In spite of his move in April/May 1989, and although New York was one of the duty stations agreed upon in the contract, he received daily

subsistence allowance while staying in New York. These payments, which were later discontinued, amounted to almost US$ 80,000 in 1989 and 1990;

(g) The rates of daily subsistence allowance agreed upon in the contract (115 per cent, and, since September 1990, 140 per cent) exceed the entitlements of staff members, which are applicable to consultants as well;

(h) Contrary to the provision in the General Administration Manual, the consultant was entitled to business class travel regardless of the number of flying hours;

(i) His medical insurance costs while in New York were reimbursed, a benefit not even granted to staff members;

(j) Although a consultant may not perform any of the functions of regular staff or be given any representative or supervisory responsibilities, the adviser is heading an organizational unit and is supported in his responsibilities by 12 UNDP staff members and five consultants;

(k) The required evaluation of his services as a consultant was not carried out.

160. The Administration basically agreed with the facts, but considered the level of payment and other remuneration justified because the adviser was a pre-eminent thinker on global development. His unique qualities certainly would have merited an Assistant Secretary-General level compensation had there been an appropriate post available. The contractual benefits were in line with this categorization.

161. Notwithstanding the qualifications or merits of the adviser outlined by the Administration, the Board cannot find the contractual arrangements in this case justified from any point of view. Regularity of actions is vital to the proper functioning of the organization. Consequently, it is indispensable that the correct examples are set at the senior level.

Contracts with architectural consultants

162. In 1988 and 1989, seven contracts were awarded to the same architectural consultant by the Field Services and Housing Section of UNDP. The fees amounted to more than US$ 1.4 million. In three cases, no competitive bidding had taken place. A signed contract was missing in one case; in three other cases, only a copy of the contract could be made available. In four cases, the architect was granted advance payments of up to 60 per cent. In the view of the Board, the said services did not warrant such high advances.

163. The Administration assured the Board that measures had been put in place to ensure stricter adherence to established procedures. It was, however, believed that the advance payments provided were not out of line with industry practice. The Board maintains that the advances should have been adapted to the progress of work.

164. In one case, the Contracts Committee, for a one-year period, beginning October 1987 and ending September 1988, gave approval to contract an architectural consultant without competitive bidding. The fee of any project

was not to exceed 3 per cent or 7 per cent, respectively. An evaluation, including the competitiveness of the fee, was to be submitted at the end of the period. Actually, a fee of 10 per cent was agreed upon between UNDP and the consulting architect, and services were provided until June 1991. The fees paid between 1988 and 1991 amounted to more than US$ 250,000. Written contracts, as stipulated in financial rule 114.24, had not been drawn up. An evaluation report had not been submitted to the Contracts Committee.

165. The Administration considered the fees reasonable in proportion to the value. None the less, action had been taken to ensure greater equity and that competitive bidding was followed in the utilization of services for a headquarters architectural consultant.

166. The Board reiterates that the conditions imposed by the Contracts Committee should have been complied with. In the future, it should be made sure that the requirements for such contracts as stipulated in the financial rules are adhered to.

Development support services

167. By its decision 89/59 of 30 June 1989, the Governing Council established a separate appropriation line of US$ 5 million for the introduction of the development support services (DSS) concept, providing field offices with additional funds for short-term consultancy services. In the corresponding guidelines of December 1989, it is elaborated that the funds should assist resident representatives in making informed programme choices and in providing appropriate strategic options in the field of technical cooperation to Governments. To illustrate the concept, a number of areas of activities are listed as examples.

168. The Board questions whether these guidelines provide sufficient guidance, since they seem to cover almost any purpose related to development aid in general. It appears to be at the discretion of the resident representatives how to use DSS funds. To be more concrete and precise, the guidelines should state clear objectives to be achieved. Close monitoring by headquarters is indispensable to verify that the consultants' reports funded from DSS are used for a clearly defined purpose, appropriate action is taken subsequently and coordination between different field offices is ensured to avoid double-spending for the same purpose. Adequate monitoring is also a prerequisite for evaluating the achievements versus the costs which the Board considers necessary after a reasonable trial period before institutionalizing the new concept.

169. The Administration, despite some reservations, agreed that the guidelines be reviewed and amended where necessary. A review was expected to be completed during the second quarter of 1992.

170. The DSS guidelines recommend engaging consultants on standard special service agreements that should not exceed nine months in duration. This is not in keeping with the provision of the Secretary-General's bulletin ST/SGB/177 and the administrative instruction ST/AI/296 of 19 November 1982, limiting consultants' contracts to normally six months in any period of 12 consecutive months. Administration intends to make appropriate provisions in conjunction with the planned revision of the guidelines. The Board

recommends that, in addition, field offices' compliance in this regard be monitored.

171. Approximately 25 per cent of the consultants engaged in 1990 by field offices in Asia and the Pacific, as well as in Latin America and the Caribbean, were not locally recruited. Their average fees were two thirds higher than those of local consultants. According to the DSS guidelines, the consultants engaged by the field offices are expected to be nationals of the country because the concept aims at utilizing locally available expertise.

172. The Administration agreed that national capacity should be used to the extent possible; however, this could be properly judged only by the resident representative. To set any target percentage was deemed inappropriate. In future, a greater use of nationals was expected. The Board wishes to stress that the underlying rationale of the DSS concept, as well as an efficient use of resources, call for intensified efforts to rely on local expertise.

Personnel management, payroll and staff costs

Staff on special leave and on supernumerary status

173. The Board reviewed cases of staff members on special leave with full pay and/or on supernumerary status. In a particular case, a staff member at the D-2 level, employed by UNDP through fixed-term contracts since 1987, had been assigned as resident representative to different countries until he was pulled out of his last duty station in August 1989. He declined reassignment to another country and even handed in his resignation, which was not accepted by UNDP. Instead, he was sent on special leave with full pay for eight months, receiving emoluments of almost US$ 80,000. From May 1990 until the end of 1991, the staff member was assigned to the Division for Audit and Management Review (DAMR), mostly on a supernumerary basis. He conducted various tasks, many of them directly at the request of the Office of the Administrator, but only exceptionally included in the work plan of DAMR. In January 1992, he was assigned to a field office as officer-in-charge for six months, but this assignment was terminated two months later. Subsequently, it was decided to assign the staff member once again to a field office as officer-in-charge, pending a longer-term assignment. His contract with UNDP had expired in January 1989 before his special leave and was only retrospectively extended in June 1990. This new contract expired at the end of April 1991 and was renewed early in 1992 through 31 March 1993.

174. Although of considerable financial consequence, neither the various decisions by senior management in this case nor the reasons for them have been adequately documented in the files. According to the UNDP Personnel Manual, special leave with full pay may only be granted under certain specified circumstances, none of which applied. A justification for expending US$ 80,000 without any services being provided in return, is all the more difficult as there was not even a valid contract during this period of time.

175. The authority of the Administrator to assign staff members is limited by the authority of the Governing Council. He can only assign responsibilities to a staff member if there is an approved post for these activities. In the Board's opinion, it is therefore not justified to employ any staff member

supernumerarily. In the said case, there was not even a need for such a measure because of the lack of a valid contract and the staff member's intended resignation.

176. Professional staff members were supernumerary and/or on special leave with full pay also in 13 other cases. As in the above-mentioned case, the underlying reasons for this specific status and any actions taken to terminate it were not, or not sufficiently, recorded. Considerable time gaps and other deficiencies had to be noticed in the recordings. For proper personnel management, a more comprehensive and accurate documentation is considered indispensable.

177. In six cases of special leave with full pay, this benefit was granted for between two and 41 months and involved staff members with grade levels between P-3 and P-5. The total of the base salaries alone amounted to more than US$ 720,000 until April 1992. In three cases, the Administration referred to medical reasons for its decision, but none of the staff members concerned was on certified sick leave at the time of the decision. Besides, even in a case of extended illness, the staff member has no entitlement to leave with full pay. In other cases, the leave was part of an agreed termination package because the organization was not able to place these staff members on approved posts according to their qualifications. The reasons justifying special leave with or without pay, which are enumerated in the relevant instructions, did not apply in any of these cases. There was no evidence that the relevant decisions were taken, or at least authorized, by the Administrator as required.

178. In three cases, staff members on supernumerary status with grade levels P-4 and P-5 were assigned to other organizations of the United Nations system on non-reimbursable loans, although, according to the relevant Inter-Organization Agreement of 6 April 1992, salaries and related costs are normally to be borne by the organization receiving the services of the individual on loan. The assignments lasted between 9 and more than 33 months and the base salaries paid by UNDP during this time amounted to more than US$ 300,000. In view of the fact that UNDP's donors provide funds specifically to support UNDP, the Board does not consider it justified to provide personnel to other organizations for such extended periods of time without adequate reimbursement.

179. In view of the above cases, the Board stresses that decisions on personnel matters should be justified by the relevant provisions and should be adequately accounted for through sufficient documentation.

Support costs for management services agreements

180. The Office for Project Services (OPS) provides management services, such as the procurement of goods to third parties. As these services are not core activities of UNDP, the Governing Council required OPS to recover fully all costs arising from such management services agreements (MSAs). To comply with this decision, OPS has developed a so-called complexity index, providing a reference percentage against which the results of the actual cost estimation are to be checked.

The general level of fees

181. OPS revenues from MSAs averaged 8.2 per cent in 1989. This appears to be rather low as the fees should, according to the relevant instruction, have ranged from 5 to 14 per cent and agency support costs amount to 11 per cent for OPS (based on the support cost arrangements prior to their revision in 1991). The Administration emphasized that the management fees were negotiated with the donors and recipients on a project-by-project basis and costs were being recovered in full. Since MSAs, in general, provide specific services to large projects where recipient Governments themselves perform tasks, their fees should not be compared to the support costs rates applied to UNDP-funded projects.

182. In the opinion of the Board, the agency support cost rate and the Administration's own cost estimates provide, if nothing else, at least indicators for the level of costs expected. They both point towards a higher level of costs to be expected than were recovered through fees.

Calculation procedure

183. Reviewing the calculation procedure, the Board found that one of the crucial cost components, the so-called programme management officer (PMO) time, was set at an unrealistic level as regards available manpower. Changes which are likely to take place in the course of project implementation but not necessarily result in a revision of the management fee are also not taken into account. Furthermore, if the estimation of the actual costs, including PMO time, administrative and management support, technical services and travel, does not agree with the reference percentage derived from the complexity index, the PMO has to change the actual costs accordingly. It is then within the officer's discretion which components of the costs are to be increased or decreased, thereby the result becomes a question of opportunity.

184. In the Board's opinion, the current procedure is time-consuming, costly and only at first sight correct. The costs for management services should be established on a factual basis, taking into account all activities OPS is in charge of.

185. The Administration considered the system valid and necessary pursuant to the Governing Council decision. It was, however, conceded that, instead of PMO time, the total OPS service unit cost was to be contained in this cost component. This was being corrected. Revised guidelines were planned to be issued by the end of 1992.

186. The Board holds the view that the complicated and, according to the experience of PMOs interviewed during the audit, time-consuming procedure is not justified by the results obtained, even if the most obvious flaw is corrected.

Programme management

Two-year project budgeting

187. The Board has previously reported on this matter (see annex II to the present report). At the request of the Governing Council (decision 91/47) and the Advisory Committee on Administrative and Budgetary Questions (see A/45/570 and Corr.1, para. 33), the matter has been kept under review during the past biennium.

188. The two-year budgeting technique, which is part of a package of measures introduced during 1986-1987, permits an agency to use the approved project budget in a somewhat flexible manner, using in any current year either the unutilized balance from the previous year (early in each year), or the next year's budget (towards the end of each year), within certain prescribed limits in order to meet operational needs. In view of its innovative nature, it was introduced on an experimental basis with a view to a more even distribution of procurement activities throughout the year, a more realistic formulation of project budgets and improving project-delivery rates. As a first analysis was not considered sufficient to allow a final judgement, it was agreed to extend the trial period for another three years.

189. The Board had repeatedly pointed out that the effects of the two-year budgeting technique could only be assessed if facts representative in terms of number, size, and regional distribution were made available by agencies and field offices, and provided a questionnaire for the specific information required. The Administration obtained responses from 14 field offices and seven agencies. Only three of these field offices, or 3 per cent of all 115 field offices, clearly stated that the two-year budgeting technique is used within their purview and by which agencies. However, even in these few cases no evidence was provided that improvements had actually taken place due to that technique. The figures provided by agencies, if any, did not indicate to what extent they related to projects where that technique had been applied and were therefore of little use for an evaluation. None the less, the Board noted the positive attitude of all field offices and agencies participating in the exercise towards the two-year budgeting concept.

190. The Administration conceded that, notwithstanding the qualitative support of field offices and agencies towards the concept, the effects of two-year budgeting could not easily be assessed quantitatively. At this stage, such an assessment was not considered readily feasible or warranted. They would, however, continue to monitor the two-year budgeting scheme.

191. Owing to the lack of verifiable facts and statistical data, the Board has no sound basis for a fair assessment of the effects of the two-year budgeting technique and is, therefore, not in a position to confirm that the related objectives were actually achieved.

Project appraisal and approval procedure in the regional bureaux

192. The Board carried out a cross-sectional audit, involving one division each of the four regional bureaux for Africa, Asia and the Pacific, Arab States and Europe and Latin America and the Caribbean. The audit involved projects in the purview of the selected divisions that had been submitted to headquarters for approval in 1990.

193. Projects not within the approval authority of the resident representative, or otherwise referred to headquarters by the field office, are subject to appraisal by Project Appraisal Committees (PACs) established in each regional bureau. In 1990, 172 such meetings were held at headquarters, reviewing 501 projects. Consequently, the PACs dealt with an average of three projects per session. The meetings had between five and 20 participants.

194. It was found that none of the projects was cancelled, but in three of the four regional bureaux about one third of the projects was returned to the field office concerned for revision or reformulation. In cases without such obvious deficiencies, the PACs mainly commented on the organizational and institutional framework or on recurring technical issues, such as training and human-capacity-building aspects or women participation, or the statements were of a general nature and of little help for concrete project improvements.

195. In view of limited personnel resources at all levels concerned, the nature of the deficiencies identified and the input actually provided by the PACs, almost weekly meetings of four large-scale committees with high-ranking officials are not considered an efficient way of project appraisal. Provided that projects are diligently prepared at field and division level and the comments of technical units such as the Technical Advisory Division or Women in Development can be obtained directly, the PAC-meetings could be relinquished or at least largely reduced in number and scale without impairing proper project appraisal. The approval process could be streamlined, thus reducing the necessary amount of time and manpower.

196. The Administration pointed out that the appraisal and approval process had been part of the headquarters functions review exercise in 1991. The results from this and other related exercises were under deliberation and decisions on these matters were expected over the remaining part of 1992. Meanwhile, there had already been some streamlining. It should, however, be seen that the PACs also served as an important mechanism for the exchange of views and ideas amongst senior managers. Moreover, they did not always absorb the amount of time of senior managers as suggested by the Board, because, on many occasions, comments were submitted in writing by technical units.

197. It appears somewhat contradictory to justify the meetings by emphasizing their communicative function while, at the same time, pointing out that they were not so time-consuming because many comments of technical units were submitted in writing. However, the Administration's answer implicitly confirms that the meetings could be reduced in size, frequency and duration, since most of the substantive inputs are contributions of the technical units. Therefore, the Board reiterates that a more efficient and effective appraisal and approval process should be developed.

198. The Board made further observations with regard to the said procedure as follows:

(a) PAC decisions were, in many cases, not clearly worded;

(b) In two of the bureaux the centralized files for the PAC minutes in most cases did not contain the relevant decisions; in particular, the agendas were missing in the other two bureaux;

(c) Project appraisal checklists were only on some occasions found in the files; the bureaux disputed the value of this instrument for the appraisal procedure at headquarters;

(d) Two bureaux had in most cases not prepared project fact sheets which constitute the official record of approval actions.

199. The Board recommends that the relevant instructions should be revised to increase the effectiveness and efficiency of programme management. They should provide the indispensable framework for the appraisal and approval process, without the encumbrance of merely bureaucratic strings. A higher degree of compliance with the remaining instructions should be ensured. Administration basically concurred with the findings and will take remedial action.

In-depth evaluations

200. The UNDP Programme and Projects Manual (PPM) under specific circumstances calls for project evaluations. As in the case of the appraisal/approval procedures, the Board carried out a review of programme management in respect of evaluations on a cross-sectional basis involving one division each of the four regional bureaux. The audit covered about 25 per cent to 30 per cent of the evaluations conducted in 1990. The results are summarized in subsequent paragraphs.

Automatism in conducting evaluation missions

201. In several cases the instructions of the PPM have led to an automatism in conducting evaluations irrespective of the practical benefits to be expected. The Board is of the opinion that the aspect of usefulness was not given sufficient attention in these cases. The PPM allows for exceptions from the evaluation requirements if adequately justified. In view of the costs between US$ 10,000 and US$ 20,000 for an average mission, costs and potential benefits should be weighed in each case before an evaluation is carried out.

202. The Administration emphasized that cost considerations should not enter into the decision to exempt a project from in-depth evaluation, since it was one of the principal means of ensuring accountability. Well aware of the value and functions of project evaluations, the Board urges the Administration to make effective use of this device.

Evaluations considered dispensable in view of their results or purposes

203. In several cases the Board found the results of evaluations to be of little practical meaning for the project and/or reflect findings which would have been realized without an evaluation, provided that the project had been monitored adequately. Evaluations were also used for purposes that did not warrant such a measure. Examples in point:

(a) Some project files contained no progress reports or other monitoring measures so that, consequently, the evaluation report became the only document providing information about the projects;

(b) The evaluation of a project was only carried out in order to find a way of how to bridge the time between the scheduled end of the project and the approval of a new project;

(c) An evaluation mission was undertaken, while, at the same time, in an uneconomic duplication of efforts, a preparatory assistance project with mainly the same objectives was launched.

204. The above examples indicate that adequate monitoring is a prerequisite for making responsible decisions about the need for an evaluation. Moreover, such a measure should only be conducted for the specific purpose it was designed for and the purposes of monitoring and evaluation should not be confused. Administration concurred and has brought the issue to the attention of the bureaux concerned.

Insufficient preparation of an evaluation mission

205. The Board noticed a case where an evaluation mission had been launched to help prepare a revised draft of a project document. The mission did, however, not succeed in submitting a proposal that was deemed satisfactory by headquarters. Failures in the introduction and guidance of the consultant were recognized. In view of the costliness of evaluation missions, the Board stresses that such missions should be sufficiently prepared. Administration concurred with the Board and will continue to monitor such matters with a view to improving the impact of evaluations conducted.

Insufficient implementation of recommendations

206. In cases where the evaluation reports contained material recommendations, the Board found that they had not been implemented as appropriate. In two examples, even severe weaknesses in design or implementation of projects had not been addressed in due time because UNDP had not succeeded in obtaining the respective Government's approval for the proposed remedial action.

207. Efficient programme management requires that conclusions from evaluation missions can be drawn as necessary. All parties of the tripartite arrangement are obliged to cooperate to that end. If that is not ensured, the current framework has serious deficiencies that should be brought to the attention of the Governing Council.

208. The Administration responded that the Standing Committee on Programme Matters of the Governing Council had meanwhile been informed. UNDP continued to advocate the need for changes in the subject area, but solutions could only be found in the long-term.

209. The Board believes that this issue seriously affects the basis of the assistance of UNDP to developing countries. Maximum cooperation is a prerequisite for rendering the implementation of the country programmes useful and effective. Solutions should therefore be found quickly.

Distribution of workload

210. The Board checked the individual workloads of area officers in the regional bureaux using criteria, such as funds to be administered, number of

countries and of projects within the purview of the officer and the number of projects submitted to the respective PAC. Considerable imbalances within the divisions were revealed. Each bureau referred to some factors used for the distribution of the workload; however, no common system was recognizable.

211. The Board considers it necessary to establish objective, transparent and standardized criteria in this respect, applicable for all bureaux. This would also enable comparisons between bureaux. Administration agreed on the need for a fair distribution of work and will make appropriate adjustments.

Internal audit

212. As indicated in the introduction to the present report, the Board carried out a cross-sectional audit on the internal audit function, involving all organizations within the purview of the Board of Auditors.

Internal audit mandate

213. The mandate for the organization's internal audit is laid down in UNDP financial regulation 14.1 (d) and financial rule 114.38. These provisions do not, in every respect, provide a sufficient legal basis for carrying out the internal audit responsibilities. The Board's reasons for this assessment are as follows:

(a) Both the regulation and rule limit the scope of control to "financial transactions" and "financial activities and transactions", respectively. The internal audit mandate should cover all measures of the Administration;

(b) The financial regulation limits internal control to funds of UNDP (including trust funds). Funds entrusted to UNDP/OPS by organizations other than UNDP are not covered by UNDP internal audit;

(c) The regulation stipulates that internal control should ensure economic use of resources, the rule mentions, in addition, the effective management of UNDP. Both provisions do not refer to the efficiency of management;

(d) The mandate does not, in its current wording, provide unlimited access to all the organization's activities and information. This, however, is a prerequisite for a comprehensive audit coverage.

214. The relevant regulations and rules should be amended as necessary. The Administration assured that corresponding proposals had been submitted to the Governing Council at its thirty-ninth session.

Operational functions of internal audit

215. The UNDP Division for Audit and Management Review (DAMR) is comprised of five sections. The Internal Audit Section (IAS) and the Project Services Audit Section (PSAS) carry out audit responsibilities relating to UNDP, trust funds and OPS, respectively, while the activities of the United Nations Population Fund (UNFPA) have, since January 1992, been covered by a newly

established UNFPA Audit Section (FPAS). The two other sections are the National Execution Audit Section (NEXAS) and the Management Review and Analysis Section (MRAS). DAMR does not strictly operate on a section-by-section basis. Auditors of IAS, NEXAS and PSAS carry out assignments on an integrated basis. The Chief of MRAS is also involved in audits conducted by IAS and PSAS and in NEXAS activities. In the Board's opinion, NEXAS and MRAS are not assigned audit responsibilities.

216. NEXAS was established in 1988 pursuant to Governing Council decision 88/18 as a small unit to administer and monitor audit requirements for nationally executed projects. NEXAS is supposed to conduct liaison with government officials, project personnel, UNDP headquarters and field offices on procedures and requirements for nationally executed projects and to promote understanding on policies and procedures, as well as the establishment of management systems by implementing bodies. As this is part of the operational responsibility of UNDP management with regard to UNDP funds transferred to other organizations and not an audit function, it should not be intertwined with the responsibility of internal audit to review UNDP management.

217. MRAS coordinates and assists in the management of effective systems for the development, updating and maintenance of manuals for the organization. It also reviews and clears all policy circulars, administrative instructions, information circulars, manuals and handbooks for publication and distribution. These functions are of an operational nature. Staff members that carry out audits should not be involved in any such activities.

218. In both cases, the Administration considered the function to be appropriately located within DAMR. It was emphasized that NEXAS had carried out detailed reviews and evaluations of audit reports submitted by Governments or commercial auditors. MRAS reviewed instructions or made proposals for changes, but only after they had been officially issued. The final authority on changes remained with the substantive unit concerned. While MRAS staff might participate in an audit function, the audit staff did not participate in MRAS functions.

219. The Board considers it a matter of principle that audit and operational functions be strictly kept separate in order to ensure the independence of the auditor and avoid any potential conflict of interest. If assigned to the same organizational unit, a complete separation is impossible. This applies not only to the Director of the Division, but also to the Chief of MRAS and the NEXAS staff who also conduct audits. Owing to this organizational setup, DAMR gets inevitably involved in activities which are, or should be, the sole responsibility of UNDP management. The current distribution of responsibilities should be changed.

Audit coverage

220. During the period from January 1989 through October 1991, DAMR delivered 53 audit reports concerning UNDP: 36 of which were field office or special audits, nine were OPS-project audits and eight were headquarters audits. At this rate, it will take about nine years to cover all field offices once. The current audit coverage is inadequate. Even more so in the case of headquarters where it is not realistic to assume that adequate audit coverage can be achieved on the basis of two or three audits annually. Remedial action will be necessary to ensure UNDP accountability.

221. The Administration agreed that, because of staff and resource constraints, audit coverage had been insufficient. Proposals for cost-effective remedial action had been submitted to the Governing Council. It was foreseen that, in the future, auditors as part of regional service centres provide expanded audit coverage in the field.

222. The Board appreciates any measures that can be expected to increase audit coverage of UNDP. The Board suggests keeping record of the audit coverage of entities and auditable functions on an ongoing basis to disclose possible risks. With regard to the decentralized concept under consideration, particular attention should be given to the question of how to ensure a uniform audit approach and to avoid any close affinity which might develop over time between auditors and audited offices.

Audit planning

223. DAMR plans its activities by means of a rolling audit work plan covering one year, which is submitted to the Administrator. The plan lists all headquarters, field and project audits, usually indicating a time-frame for each audit and the auditors assigned. Neither in the plan nor in the respective file was it documented how potential audit areas were identified and how priorities were determined. A medium-term plan covering a three-to-five-year period and identifying all auditable activities was not available.

224. The rolling audit work plan is regularly updated two or three times a year. The reasons for the changes and a comparison of the initial plan with the audits actually completed at year-end were not documented. Conducting such a comparison for the UNDP-related audit activities of IAS during the years 1989 through 1991, the Board found that roughly one third of the audits initially planned were actually completed, that is, reports issued, while in other cases completion was deferred to one of the next years or the audit had not yet been started.

225. The Administration assured that, with the contemplated expansion of audit coverage, a medium-term plan identifying all auditable activities would be established. In the opinion of the Board, measures should also be taken to make annual audit planning more transparent and realistic.

Trust funds

226. As indicated in the introduction to the present report, the Board carried out a cross-sectional audit in respect of trust fund activities involving all organizations within the purview of the Board of Auditors. In view of the previous audits (see annex II) regarding UNDP the review was limited to the United Nations Capital Development Fund (UNCDF).

Utilization of UNCDF funds

227. According to the General Assembly resolutions concerning UNCDF, the Fund's activities should provide capital, first and foremost, for the least developed countries, particularly in the form of grants or loans. From the beginning of 1986 to the end of 1990, the unspent allocations of UNCDF

increased from about US$ 130 million to almost US$ 262 million. Only 57 per cent to 86 per cent of the Fund's total income have been used to cover project costs. Substantial portions of the income were accumulated as cash and investments resulting in interest income from 20 per cent to 27 per cent of the total income. In the opinion of the Board, the current level of liquidity should be reviewed with respect to the mandate of UNCDF. This would call for an increase in the number of loans and grants to developing countries, instead of a further accumulation of cash and investments.

228. The Administration emphasized that the funds referred to were already committed to projects and were awaiting disbursement. They will make efforts to address the indicated problem.

Completion of UNCDF-financed projects

229. According to the UNCDF Programme Operations Manual, the country officer has to determine that the operations of a project are completed and to notify the Government and any other disbursing agent(s) in writing of the relevant date. Within 12 months after project completion, a final report must be delivered, a final inventory conducted, a final audit carried out and the final budget revision issued.

230. Reviewing the 26 projects that had been operationally completed between January 1990 and July 1991, the Board found only a few projects where at least part of these activities had been carried out. Notifications about the date of operational completion, final inventories and final audit reports were available only in one or two cases; final reports or a final evaluation report had been delivered in 14 cases. Financial completion was often delayed because it takes Governments and field offices many months, in some cases more than a year, to sign and return the final budget revisions.

231. The lack of compliance with the basic requirements for a timely and regular closure of operationally completed projects is a matter of concern. As the Board has made many such observations during audits at headquarters and in field offices, it appears to be a general problem concerning UNDP as well as UNCDF. Apart from the immediate measures necessary to improve the current situation, the problem should also be addressed in cooperation with executing agencies and Governments to find a viable solution. In particular, it needs to be ensured that all parties concerned fulfil the responsibilities assigned to them through basic agreements, thus justifying the tripartite nature of project execution.

232. The Administration agreed and will make efforts to improve the situation. In addition, this matter would be taken up on a broader scale in the context of the deliberations on national execution policy, procedures and processes. As the identified problem is neither limited to UNCDF nor to nationally executed projects the Board urges that the deliberations include the whole scope of the issue.

Cases of fraud and presumptive fraud

233. The Board was informed of 16 fraud cases detected during the biennium. The amount of funds involved totalled US$ 248,232 of which US$ 130,504 could

be recovered as of April 1992. In three cases, recovery action was still pending. In seven of 12 cases where staff members were involved, disciplinary action was taken (dismissal, reprimand, withholding of salary increment): in three cases, the staff member was separated or resigned.

Acknowledgement

234. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended by the Administrator of the United Nations Development Programme, his officers and members of their staff.

(Signed) Osei Tutu PREMPEH
Auditor-General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit
of the Philippines

(Signed) Heinz Günter ZAVELBERG
President of the Federal Court
of Audit of Germany

ANNEX I

Follow-up on action taken to implement the recommendations of the Board of Auditors in its interim report for the period ended 31 December 1990 a/

I. RECOMMENDATION 6 (a)

1. The Board had recommended that further efforts should be made to require all executing agencies within the United Nations system to sign basic agreements about their responsibilities in executing UNDP-funded projects.

A. Measures taken by the Administration

2. The Administration stated that the Standard Basic Executing Agency Agreements outstanding as of April 1992 were with the World Health Organization (WHO), the International Labour Organisation (ILO) and the Food and Agriculture Organization of the United Nations (FAO). The SBEAA, with WHO, was expected to be signed shortly as there was only one article still under discussion. No difficulties were expected in reaching agreement with ILO or FAO. It was anticipated that all agreements would be signed by September 1992.

B. Comments of the Board

3. The Board appreciates the progress made. It should, however, be kept in mind that two of the cases not yet solved involve major agencies (FAO and ILO), which alone represent approximately 23 per cent of the expenditure spent by executing agencies. Therefore, the efforts will have to be continued until all agreements are signed.

II. RECOMMENDATION 6 (b)

4. The Board had recommended that the Standard Basic Executing Agency Agreements should be amended to include provisions that:

"(i) The mandate of the agency's external auditor comprises assessment of the efficiency and effectiveness of the agency's project implementation;

"(ii) In addition to the official audit report, all pertinent audit findings are submitted to UNDP and its external auditor." a/

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a/ A/46/5/Add.1, sect. III, para. 6.

A. Measures taken by the Administration

5. As regards the recommendation contained in paragraph 6 (b) (i) of the report of the Board, a/ the Administration reported that the matter was discussed in the Consultative Committee on Administrative Questions (Finance and Budget) (CCAQ (FB)) in March 1992. With regard to audits of efficiency and effectiveness, several agencies had confirmed that their auditors already carried out audits of a very comprehensive nature and recorded their observations as appropriate. Additional audit reports for UNDP-financed activities would involve special instructions and extra costs.

6. With respect to recommendation 6 (b) (ii), the Administration pointed out that this issue had been considered at some length by CCAQ (FB) as well. It had been observed that:

(a) External auditors were appointed by governing bodies and were responsible only to them;

(b) All audit observations of a material nature were included in formal audit reports;

(c) Effective working relations between external auditors and financial managers depended on the confidentiality of their exchanges on matters such as those dealt with in management letters.

7. The Committee had further noted that this matter had not been the subject of a formal recommendation by the Panel of External Auditors, as was usually the case for subjects which external auditors wished to bring to the attention of CCAQ (FB). In the absence of such a recommendation, the Committee would be reluctant to pursue the matter further.

B. Comments of the Board

8. The discussion in CCAQ (FB), as reflected by the Administration, does not reveal that the participating agencies were aware of their full accountability for UNDP resources, as determined by the General Assembly in its resolution 2688 (XXV), and the implications of that resolution in terms of audit coverage. It requires that all necessary measures should be taken to ensure that funds are expended with maximum efficiency and effectiveness. Audit of these aspects by independent auditors becomes thus a requirement.

9. Concerning the second part of the recommendation, the Board reiterates that the formal audit reports of United Nations executing agencies do not currently contain sufficient information in respect of the execution of UNDP-funded projects. In view of its full accountability for the entrusted funds, UNDP has a rightful claim to be provided with this information. Consequently, its disclosure by the executing agencies and their auditors is required. This requirement does not affect the auditors' responsibility to the governing body of the audited organization. As for the confidentiality of the relationship between auditor and organization, it should be kept in mind that all organizations concerned are part of the United Nations system. Moreover, in the Board's opinion, the aspect of confidentiality cannot outweigh the requirements inherent in the concept of full accountability. The

Board's concern was shared by the Advisory Committee on Administrative and Budgetary Questions (see A/46/510), which fully endorsed the Board's recommendations on agency accountability. The Board strongly urges once again that UNDP and itself be provided with the said information.

III. RECOMMENDATION 6 (c)

10. The Board had recommended that the number of projects to be executed should be strictly controlled so as not to exceed the management capacity of the Office for Project Services (OPS).

A. Measures taken by the Administration

11. The Administration expressed the view that the workloads of project management officers could only be resolved by selective increase of staffing levels or by reducing the volume of activities. The latter would imply limiting the approval of new projects. However, in order to address the problem, as best as possible, a concentrated effort would be made in 1992 to refine the existing workload management system to monitor closely the distribution of work among the project management officers.

B. Comments of the Board

12. Following up on its audit of fall 1990, in April 1992 the Board found that the project acceptance policy had not significantly changed. In 1991, the OPS Project Acceptance Committee (PAC) rejected 2 projects, while accepting 408. The number of projects accepted in 1991 was about 10 per cent lower than in 1990, but the amount of funds involved remained at almost the same level (US$ 384 million in 1991 as compared to US$ 388 million in 1990). In November 1991, a new "OPS growth strategy and acceptance policy" was established. However, the principles supposed to manage OPS' growth are rather vague and the designed acceptance policy will require criteria indicating the extent to which the limited capabilities of OPS are exhausted.

13. The Administration pointed out that the actual figure of rejected projects should not be the only basis for measuring the success of OPS' acceptance policy and that other aspects should be taken into account, such as the managerial responsibility required by projects or the screening and pre-selection process carried out before the final appraisal by PAC. They were confident that the project acceptance policy was beginning to make an impact.

14. As the above-mentioned considerations would mostly apply to previous years as well, the Board sees no reason to modify its opinion. The future development will have to be observed.

15. The Board also found no significant changes in the workload of project management officers since its last audit. The average number of projects decreased only slightly from 43 to 41 projects; the budget funds involved decreased from US$ 10.2 million to US$ 7.5 million. The number of projects and the budgets managed by the individual project management officer still

varied considerably, which again underlines the need for a systematic workload distribution.

16. The Administration acknowledged that there remained room for improvements, but found it inappropriate to use the project delivery report as the basis for the conclusions. The figures mentioned by the Board appeared too high and did not reflect the significant decrease in workload from one year ago.

17. The Board points out that the previous audit was based on the same source of information. Consequently, the figures reveal with sufficient validity that significant improvements have not taken place.

IV. RECOMMENDATION 6 (d)

18. The Board had recommended that new development initiatives should be tested and the results of the trial period evaluated to establish a sound basis for the decision about full-scale implementation and further input of resources.

A. Measures taken by the Administration

19. The Administration pointed out that the issue pertaining to policy and substantive aspects of the economist programme was being independently evaluated by the UNDP Central Evaluation Office. UNDP would provide a status report on the evaluation to the May 1992 session of the Governing Council. The final report would be available in the third quarter of 1992.

B. Comments of the Board

20. The Board appreciates the efforts undertaken by the Administration, but considers it necessary that, in future, trial periods are actually used to achieve reliable results about new initiatives. As the Board noted similar deficiencies in other cases, for example, the introduction of the two-year project budget cycle, this appears to be a more general problem that therefore should be addressed in principle.

V. RECOMMENDATION 6 (e)

21. The Board had recommended that budget management and completion of projects executed by OPS needed to be improved effectively.

A. Measures taken by the Administration

22. The Administration agreed that financial management of the projects must be improved. OPS was reviewing procedures in order to provide limited flexibility where appropriate, and recognized the need for an integrated management information system to control expenditure. Prompt processing of budget revisions was being strenuously pursued. OPS recognized the problem of

completion of projects and had taken action to process budget revisions, and particularly final revisions on a more timely basis. Three hundred and six projects were closed in 1990, 279 in 1991, and 326 would be closed by the end of May 1992.

B. Comments of the Board

23. The Board found that, as at 31 December 1991, the situation concerning the financial completion of projects has somewhat improved. The Board expects that the Administration will continue its efforts so that eventually compliance with UNDP financial rule 110.5 is achieved.

24. Concerning project budget management, the situation has worsened: 102 of 1,311 projects, or 8 per cent, showed overexpenditures which amounted to more than US$ 9 million, or 24 per cent, of the allocations for the projects concerned. On the other hand, there were 307 still operational projects with unspent balances of more than 50 per cent of the approved budgets. The balances in these cases amounted to almost US$ 53 million or 18 per cent of the total allocation for the four OPS divisions. The Administration agreed that further action was necessary.

VI. RECOMMENDATION 6 (f)

25. The Board had recommended that the retroactive signing of contracts with consultants practised in OPS should be discontinued immediately.

A. Measures taken by the Administration

26. While acknowledging that there were still a number of post-facto situations, the Administration expressed the view that these resulted from the vast volume of consultancies that UNDP and OPS had to deal with and the particular operational requirements which often necessitated quick action. The procedures and clearance requirements were under review and appropriate decisions would be implemented during 1992. These, plus the planned strengthening of the consultancy management capability of OPS, should result in a significant reduction in the number of "formal" post-facto cases.

B. Comments of the Board

27. Following up on its 1990 audit, the Board found that out of 1,030 OPS consultancy contracts 494 were only signed after the consultant had already begun the mission. The Board is of the opinion that situations where a service is being provided without the terms and conditions being specified in a written contract should be eliminated and that uncompromising efforts are needed to discontinue the current practice.

VII. RECOMMENDATION 6 (g)

28. The Board had recommended that OPS should provide management services only on a sound legal basis with both the funding donor and the recipient.

A. Measures taken by the Administration

29. The Administration maintained that current procedures under management services agreements signed with recipient Governments provided sufficient safeguards to de facto eliminate the risk of losses.

B. Comments of the Board

30. The Board holds the view that adequate legal arrangements should be sought in future cases to secure the interests of the organization.

VIII. RECOMMENDATION 6 (h)

31. The Board had recommended that OPS should use its authority more consistently to delegate procurement activities.

A. Measures taken by the Administration

32. The Administration stated that local purchase order and field purchase order forms had been developed for use by authorized UNDP/OPS personnel in the field. A circular describing the new procedure under which such field personnel would be authorized to effect direct procurement up to US$ 20,000 was being issued in 1992.

B. Comments of the Board

33. The actual development in respect of the delegation of OPS procurement activities will have to be observed.

ANNEX II

Follow-up on action taken to implement the recommendations of the Board of Auditors in its report for the period ended 31 December 1989 a/

I. RECOMMENDATION 6 (a)

1. The Board had recommended that further efforts are needed to obtain audited statements of UNDP expenditure incurred by executing agencies in time for the issuance of the audit opinion on the financial statements of UNDP.

A. Measures taken by the Administration

2. UNDP stated that the change to a biennial audit would not, in and of itself, resolve the problem. UNDP was unable to resolve the issue by itself. It had regularly addressed the problem with the executing agencies in various forums, requesting that the audit comment be addressed. The short time-frame provided for closure of the accounts and audit combined with the fact that existing systems were inadequate to cope made it highly unlikely that the qualification would be removed in the next few years. It was important to note, however, that at no time had there been a significant change between the agency accounts as submitted for audit and the final audited statements.

B. Comments of the Board

3. The Board agrees that the problem is mainly one of timing. In recent years, no major changes between agency accounts before audit and audited statements were observed. For further details, the Board refers to its present report.

II. RECOMMENDATION 6 (b)

4. The Board had recommended that guidelines ensuring correct delineation between programme and operating expenditure should be issued.

A. Measures taken by the Administration

5. The Administration pointed out that the Administrator of UNDP had, in the 1992/1993 budget presentation, proposed a modality to provide a clearer delineation between administrative, programme support and programme costs in line with General Assembly resolution 45/235 of 21 December 1990. The Governing Council had welcomed this proposal as a first step and requested the Administrator to develop more specific criteria for allocation of posts to

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a/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5A (A/45/5/Add.1), sect. II, para. 6.

programme support and development activities and to report thereon to the Governing Council in the context of the 1994-1995 budget estimates.

B. Comments of the Board

6. The Board underscores again the need for a clear delineation. According to the Administration's list of project-funded posts at headquarters, the number of such posts has declined from 83 as of December 1990 to 54 in March 1992. The Board found, however, that at least one further case was not recorded in the relevant lists, which leaves room for doubt as to the accuracy of the list. Furthermore, short-term contracts of up to three months are still not recorded.

III. RECOMMENDATION 6 (c)

7. The Board had recommended that more detailed and clearer instructions should be issued to keep all UNDP personnel aware of their personal responsibility and financial liability.

A. Measures taken by the Administration

8. According to the Administration, this recommendation has been implemented.

B. Comments of the Board

9. The Board noticed that new guidelines were issued. However, the implementation of the guidelines and their enforcement need further attention by the Administration to ensure a stringent, consistent and transparent policy on this matter. Specifically, as regards the financial liability of staff members, the Board has found deficiencies (see paragraphs on property management in the present report).

IV. RECOMMENDATION 6 (d)

10. The Board had recommended that the aspect of general deterrence in the prevention of fraud should be given more consideration.

A. Measures taken by the Administration

11. UNDP is of the opinion that a clear, objective and transparent application of procedures assigning responsibility and financial liability to staff will provide the required level of deterrence in the prevention of fraud. Procedures had been established in this regard and several items were under review by internal committees, which had been formed to address losses incurred. The Administration would report on the impact of these new procedures.

B. Comments of the Board

12. The Board is awaiting the results of the measures taken.

V. RECOMMENDATION 6 (e)

13. The Board had recommended that, before establishing new trust funds or sub-trust funds, the impact on the administrative workload and efficiency of management should be taken into account.

A. Measures taken by the Administration

14. UNDP considers the incremental workload related to the handling of trust funds to be adequately covered by the extrabudgetary funds provided. Steps were being taken to combine management and administration to the extent possible to reduce costs. The feasibility study on the further computerization of trust fund activities was not completed in 1991 as anticipated. It was merged with the rewrite of systems related to the changes in support costs approved by the Governing Council in June 1991. This system was expected to be operational in 1992.

B. Comments of the Board

15. Reviewing the further developments, the Board found that in 1990 and 1991 15 new trust funds and 17 sub-trust funds were established. In view of the further increase in the number of trust funds and sub-trust funds, the Board reiterates its previous recommendation that the related administrative and financial repercussions should be accurately determined before establishing new trust funds.

VI. RECOMMENDATION 6 (f)

16. The Board had recommended that an up-to-date strategy for temporary employment needed to be developed.

A. Measures taken by the Administration

17. The Administration informed the Board that a UNDP working group had reviewed this issue and had arrived at a common understanding with other United Nations agencies. A draft contract had been prepared for discussion. This was expected to be completed by mid-1992.

B. Comments of the Board

18. In the course of its audits, the Board observed numerous deficiencies related to the contractual arrangements for engaging the services of consultants and other short-term personnel. The current report provides examples in this respect. The appointment of a consultancy manager who,

according to the Administration's response to the Board's 1989 report, was "to streamline further the consultancy service", will be terminated as of August 1992. The Board considers it necessary to reiterate that existing rules and instructions have to be complied with while new contractual forms are being developed. The Administration will have to ensure that all necessary clearances are obtained before the new procedures are implemented.

VII. RECOMMENDATION 6 (g)

19. The Board had recommended that two-year project budgeting should be tested in field offices and by executing agencies and more results should be obtained before final and full implementation.

A. Measures taken by the Administration

20. The Administration stated that a review of the two-year project budget concept in 1990 revealed good results, but highlighted the fact that agencies, not UNDP field offices, were the primary users of this technique as two-year budgeting responds to the need for operational flexibility for the agencies. All major agencies had confirmed the importance and usefulness of the concept and had urged that the technique not be discontinued.

B. Comments of the Board

21. The Board is of the opinion that no verifiable results about the effects of two-year budgeting were obtained during the trial period. For further details, the Board refers to the respective paragraphs in the current report.

VIII. RECOMMENDATION 6 (h)

22. The Board had recommended that the accounting policy regarding the recording of unliquidated obligations at year-end should be clarified to remove uncertainties in reported expenditure.

A. Measures taken by the Administration

23. Following a decision of the Consultative Committee on Administrative Questions (Finance and Budget), UNDP had requested executing agencies to advise of ways in which the accounts closure instructions might be clarified. UNDP had, to date, not received any suggestions from the agencies. The matter would be further discussed.

B. Comments of the Board

24. In the Board's opinion, further efforts are needed in said respect. For specific findings, the Board refers to the respective paragraphs in its present report.

ANNEX III

Liquidity position of UNDP as at 31 December 1991 and 31 December 1989

1. Maturities exceeding the financial reporting period (two years) were considered long-term and the general resources and the unexpended resources were considered short-term.

	1991	1989	Difference
	(United States dollars)		
Assets:			
Long-term			
Long-term portion of investments	27 220 763	45 611 545	(18 390 782)
Reserve for field accommodation	18 594 885	9 997 983	8 596 902
	45 815 648	55 609 528	(9 793 770)
Short-term			
Cash and letter of credit	50 826 978	74 566 844	(23 739 866)
Short-term portion of investments	789 858 737	1 093 499 075	(303 640 338)
Short-term receivables, advances and other assets	179 293 174	126 883 865	52 409 309
	1 019 978 889	1 294 949 784	(274 970 895)
	1 065 794 537	1 350 559 312	(284 764 775)
Liabilities, reserves and unexpended resources:			
Long-term			
Reserves	225 000 000	225 000 000	-
Short-term			
General resources	166 649 321	523 164 039	(356 514 718)
Unexpended resources	231 740 964	197 804 975	33 935 989
Short-term liabilities, unliquidated obligations, and other payables	442 404 252	404 590 298	37 813 954
	840 794 537	1 125 559 312	(284 764 775)
	1 065 794 537	1 350 559 312	(284 764 775)

2. The liquidity of UNDP as at 3 December 1991 showed an excess of current assets over current liabilities in the amount of US$ 179,184,352 compared to the previous period amount of US$ 169,390,472. The increase by US$ 9,793,880 in liquidity can be explained as follows:

		(United States dollars)
Sources of funds		
Contributions (net)	2 369 121 429	
Extrabudgetary income	84 664 520	
Other income	163 616 034	
Total income	2 617 401 983	
Decrease in long-term assets		9 793 880
Decrease in resources		322 578 729
		2 949 774 592
Application of funds		
Programme expenditure	2 448 426 665	
Administrative service, programme support and development activity costs (net)	402 968 128	
Extrabudgetary expenditure	77 707 559	
Other expenditure	10 878 360	
Total expenditure		2 939 980 712
Increase in liquidity		9 793 880

3. The liquidity is mainly effected by the maturities of investments, which were aged as follows:

	1991		1989		Difference
	(US$)	(Percentage)	(US$)	(Percentage)	(US$)
Maturity less than half a year	591 124 623	72.3	924 186 800	81.1	(333 062 177)
Maturity less than one year	140 204 655	17.2	101 174 193	8.9	39 030 462
Maturity less than two years	58 529 459	7.2	68 138 082	6.0	(9 608 623)
Maturity exceeding two years	27 220 763	3.3	45 611 545	4.0	(18 390 782)
	817 079 500	100.0	1 139 110 620	100.0	(322 031 120)

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to XXV, properly identified, and the relevant schedules of the United Nations Development Programme for the financial period ended 31 December 1991. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances, except as explained in paragraphs 63 to 70 of our report.

In our opinion, subject to the receipt of the outstanding audited statements of executing agencies to support the programme support costs and programme expenditure incurred (see paras. 65 and 68), the financial statements present fairly the financial position of the organization as at the end of the biennium and the results of its operations for the biennium then ended.

The financial statements were prepared in accordance with the stated accounting policies, which were applied on a basis consistent with that of the preceding financial period.

As described in paragraphs 91 and 92 of our report, stated accounting policies differ in some respects from generally accepted accounting principles.

Transactions were in accordance with the financial regulations and legislative authority.

(Signed) Osei Tutu PREMPEH
Auditor-General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit
of the Philippines

(Signed) Heinz Günter ZAVELBERG
President of the Federal Court
of Audit of Germany

30 June 1992

IV. CERTIFICATION OF THE FINANCIAL STATEMENTS

29 April 1992

I certify that, to the best of my knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the appended financial statements, numbered I to XXV, and supporting schedules, numbered 1 to 10.

(Signed) Peter M. LESLIE
Director,
Division of Finance
United Nations Development Programme

V. FINANCIAL STATEMENTS FOR THE BIENNIUM ENDED 31 DECEMBER 1991

STATEMENT I

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Statement of income and expenditure for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME		
	Contributions from Governments and other contributors		
1 874 274 482	Voluntary contributions		1 961 983 218
10 680 605	Less: Transfers to government local office costs	(note 1 (a))	11 497 092
1 863 593 877			1 950 486 126
31 098 833	Voluntary contributions for the Special Measures Fund for the Least Developed Countries		12 809 684
233 422 951	Cost-sharing contributions		388 004 046
22 318 141	Cash counterpart contributions for projects		22 016 420
2 150 433 802			2 373 316 276
4 360 080	Less: Exchange adjustments on collection of contributions	(note 1 (c))	4 194 847
2 146 073 722			2 369 121 429
42 586 016	UNDP extrabudgetary income	(schedule 4)	84 664 520
94 965	Government contributions towards senior industrial development field adviser costs		
128 318 360	Miscellaneous income (net)	(schedule 1)	163 616 034
2 317 073 063	TOTAL INCOME		2 617 401 983
	EXPENDITURE		
1 735 077 049	Programme expenditure		2 178 175 590
219 862 310	Programme support costs		270 251 075
1 954 939 359		(schedule 2)	2 448 426 665
9 106 222	UNDP sectoral support costs	(note 12)	10 671 968
337 710 553	UNDP biennial budget expenditure (gross)		435 363 648
(27 188 900)	UNDP biennial budget income received		(32 395 520)
310 521 653		(schedule 3)	402 968 128
39 435 256	UNDP extrabudgetary expenditure	(schedule 4)	77 707 559
1 265 063	Expert hiatus financing, extended sick leave costs, and compensation payments		865 333
2 315 267 553	TOTAL EXPENDITURE		2 940 639 653
367 967	PROVISION TO REDUCE THE BOOK VALUE OF ACCOUNTS RECEIVABLE AND DEFERRED CHARGES	(note 14)	(658 941)
1 437 543	EXCESS OF INCOME OVER EXPENDITURE	(statement IV)	(322 578 729)

The accompanying notes are an integral part of the financial statements.

STATEMENT II

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Statement of assets and liabilities as at 31 December 1991, a/b/c/
with comparative figures for 1989

(United States dollars)

1989			1991
	ASSETS		
	Cash		
5 519 697	Convertible currencies		2 108 107
1 471 501	Usable non-convertible currencies		361 418
46 819 525	Accumulated non-convertible currencies		21 132 490
2 300 158	Currency held for the Trust Fund for the Training in the USSR of Specialists from Developing Countries		793 143
16 280 753	Cash at field offices		23 221 360
72 391 634			47 616 518
2 175 210	Government letter of credit	(note 3)	3 210 460
	Investments		
640 035 974	General resources	(schedule 6)	263 368 291
284 072 629	Subsidiary programmes	(schedule 6)	347 306 094
924 108 603			610 674 385
998 675 447	Total cash, letter of credit and investments		661 501 363
	Advances and accounts receivable		
10 966 309	Operating funds provided to Governments for executing UNDP projects		18 709 444
33 645 564	Operating funds provided to other executing agencies	(note 4)	74 049 056
7 153 738	Due from United Nations Population Fund		8 664 178
17 487 460	Due from trust funds administered by UNDP	(note 5)	16 441 492
33 167 589	Other accounts receivable and deferred charges	(note 9 (a))	45 574 460
24 463 205	Accrued interest		15 854 544
126 883 865			179 293 174
25 000 000	Investments of the Reserve for Field Accommodation	(schedule 7)	25 000 000
200 000 000	Investments of the Operational Reserve	(schedule 6)	200 000 000
225 000 000			225 000 000
1 350 559 312			1 065 794 537

STATEMENT II (concluded)

1989			1991
	LIABILITIES, RESERVES AND UNEXPENDED RESOURCES		
	Liabilities		
116 360	Operating funds payable to Governments		1 910 297
5 717 956	Operating funds payable to other executing agencies	(note 4)	2 538 512
32 506 741	Uncleared cheques on zero balance accounts		29 783 076
110 633 132	Accounts payable	(note 9 (b))	119 853 724
180 742 269	Unliquidated obligations of executing agencies	(note 4)	179 115 462
18 090 474	Management service agreements (net)	(schedule 5)	47 799 893
3 565 319	Due to the United Nations		2 531 234
51 907 567	Due to trust funds administered by UNDP	(note 5)	56 964 346
1 310 480	Junior Professional Officers programme	(schedule 8)	1 907 708
404 590 298			442 404 252
	Reserves		
25 000 000	Reserve for Field Accommodation		25 000 000
200 000 000	Operational Reserve		200 000 000
225 000 000			225 000 000
	Unexpended resources		
43 565 537	Special Measures Fund for the Least Developed Countries	(statement IV)	26 038 447
129 343 283	Cost-sharing	(statement IV)	164 932 058
6 937 027	Cash counterpart	(statement IV)	8 263 299
17 959 128	Extrabudgetary activities	(statement IV)	32 507 160
197 804 975			231 740 964
523 164 039	Balance of general resources	(statement IV)	166 649 321
720 969 014			398 390 285
1 350 559 312			1 065 794 537

a/ This balance sheet consolidates the assets and liabilities of general resources as well as all other funds credited to the UNDP Account.

b/ See notes 7 and note 8 for a discussion of contingent liabilities and other items not reflected in this statement.

c/ Unspent allocations issued against resources of the UNDP account as at 31 December 1991 amounted to approximately $1,018.5 million, against which forward commitments reported by executing agencies were approximately $383.5 million.

The accompanying notes are an integral part of the financial statements.

STATEMENT III

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Statement of changes in financial position for the biennium ended 31 December 1991, a/
with comparative figures for 1989

(United States dollars)

1989			1991
	SOURCE OF FUNDS		
2 317 073 063	Total income for the period	(statement I)	2 617 401 983
-	Provision to reduce the book value of accounts receivable and deferred charges		658 941
64 771 765	Increase in liabilities		39 199 461
22 987 661	Decrease in operating funds provided to other executing agencies (net)		-
22 535	Adjustment to prior year cost-sharing expenditure		-
2 404 855 024	Total funds provided		2 657 260 385
	APPLICATION OF FUNDS		
2 315 267 553	Total expenditure for the period	(statement I)	2 940 639 653
367 967	Provision to reduce the book value of accounts receivable and deferred charges		-
13 091 292	Increase in accounts receivable		4 262 682
1 371 968	Increase in operating funds provided to Governments (net)		5 949 198
-	Increase in operating funds provided to other executing agencies (net)		43 582 936
3 505 083	Adjustment to prior year cash counterpart income		-
2 333 603 863	Total funds used		2 994 434 469
71 251 161	INCREASE (DECREASE) IN CASH AND INVESTMENTS		(337 174 084)
927 424 286	Cash and investments at beginning of the period		998 675 447
	Increase (decrease) in cash and investments in:		
3 437 479	Convertible currencies		(3 411 590)
277 465	Usable non-convertible currencies		(1 110 083)
3 236 355	Accumulated non-convertible currencies		(25 687 035)
100 823	Currencies held for USSR Trust Fund		(1 507 015)
2 753 952	Cash at field offices		6 940 607
(543 229)	Government letter of credit		1 035 250
61 988 316	Investments		(313 434 218)
71 251 161			(337 174 084)
998 675 447	Cash and investments at end of the period	(statement II)	661 501 363

a/ Exclusive of the investments of the Operational Reserve and of the Reserve for Field Accommodation.

The accompanying notes are an integral part of the financial statements.

STATEMENT IV

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Summary of movement in subsidiary programme funds and general resources for the biennium ended 31 December 1991

(United States dollars)

	Special Measures Fund for the Least Developed Countries	Cost-sharing	Cash counterpart	Extrabudgetary activities	General resources	Total
Balance as at 1 January 1990	43 565 537	129 343 283	6 937 027	17 959 128	523 164 039	720 969 014
Transfer between resources	-	(511 956)	-	7 591 071 a/	(7 079 115)	-
	43 565 537	128 831 327	6 937 027	25 550 199	516 084 924	720 969 014
Income received	12 809 684	388 004 046	22 016 420	84 664 520	2 109 907 313	2 617 401 983 b/
Less: Expenditure						
Programme expenditure	30 336 774	326 253 106	20 159 326 c/	-	1 801 426 384 c/	2 178 175 590 b/
Reimbursement of programme support costs to executing agencies	-	25 650 209	530 822	-	244 070 044 c/	270 251 075 b/
Other expenditure	-	-	-	77 707 559	413 846 488	491 554 047
Total expenditure	30 336 774	351 903 315	20 690 148	77 707 559	2 459 342 916	2 939 980 712 b/
Excess of income over expenditure (Excess of expenditure over income)	(17 527 090)	36 100 731	1 326 272	6 956 961	(349 435 603)	(322 578 729) b/
Balance as at 31 December 1991 (statement II)	26 038 447	164 932 058	8 263 299	32 507 160 a/	166 649 321	398 390 285

a/ See schedule 4.

b/ As shown on statement I.

c/ See note 10.

The accompanying notes are an integral part of the financial statements.

STATEMENT V

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

United Nations Capital Development Fund

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
71 966 383	Voluntary contributions from Governments		83 965 088
2 198 136	Cost-sharing contributions		500 000
7 926 175	Government contributions for sub-trust funds		2 972 714
82 090 694			87 437 802
(54 387)	Exchange adjustments on collection of contributions		(55 474)
82 036 307			87 382 328
	Interest income:		
25 566 715	General resources and cost-sharing		25 025 413
229 171	Sub-trust funds		216 112
(297 892)	Miscellaneous income (expenditure)		395 625
107 534 301			113 019 478
	Less: Expenditure		
	Project costs:		
74 962 130	General resources		76 691 114
1 593 103	Cost-sharing		479 601
2 429 362	Sub-trust funds		1 346 175
	Reimbursement of programme support costs to executing agencies:		
2 014 965	General resources		2 254 508
62 407	Cost-sharing		12 846
81 363	Sub-trust funds		28 349
6 443 431	Biennial budget expenditure	(schedule 10)	8 342 140
87 586 761			89 154 733
19 947 540	Excess of income over expenditure		23 864 745
	ASSETS		
	Cash		
33 817	Convertible currencies		11 761
510 110	Usable non-convertible currencies		1 555
379 260	Accumulated non-convertible currencies		459 452
923 187			472 768
115 590 177	Investments	(schedule 9)	106 285 914
1 924 185	Loan to Governments	(note 16 (d))	8 042 856
52 775	Non-convertible currencies pending United States dollar credit from UNDP		78 060
1 164 649	Operating funds provided to cooperating agencies		1 659 401
4 002 975	Accounts receivable and deferred charges		3 342 201
4 278 072	Accrued interest		3 567 879
127 936 020			123 449 079
45 500 000	Investments of the operational reserve	(schedule 9)	58 900 000
173 436 020			182 349 079

STATEMENT V (concluded)

1988-1989			1990-1991
	LIABILITIES, RESERVES AND UNEXPENDED RESOURCES		
207 041	Accounts payable		345 914
5 881 895	Operating funds payable to cooperating agencies		13 000
11 729 532	Unliquidated obligations of cooperating agencies		9 163 795
9 000 713	Due to UNDP		3 654 638
1 335 351	Extrabudgetary account for support costs	(note 16 (a))	541 931
28 154 532			13 719 278
45 500 000	Operational reserve	(note 16 (b))	58 900 000
	Unexpended resources		
100 117 224	General resources		108 760 114
(91 543)	Cost-sharing		(83 990)
(244 193)	Sub-trust funds	(statement XXV)	1 053 677
99 781 488	Balance as at 31 December 1991 a/		109 729 801
173 436 020			182 349 079

Note: Contributions due from Governments for the current and prior periods total $2,703,908 (1989: $7,680,320). An analysis of this amount is provided in note 25.

a/ Movements in resources:

	General resources	Cost-sharing	Sub-trust funds	Total
Balance as at 1 January 1990	100 117 224	(91 543)	(244 193)	99 781 488
Excess of income over expenditure	22 042 890	7 553	1 814 302	23 864 745
Transfer of resources	-	-	(516 432) b/	(516 432)
	122 160 114	(83 990)	1 053 677	123 129 801
Transfer to operational reserve	(13 400 000)	-	-	(13 400 000)
Balance as at 31 December 1991	108 760 114	(83 990)	1 053 677	109 729 801

Consisting of:

	1989	1991
Unspent allocations:		
General resources	220 198 136	294 113 258
Cost-sharing	1 121 993	629 545
Loan commitments undrawn	7 224 456	1 698 924
Sub-trust funds	2 829 450	205 785
Allocations in excess of resources:		
General resources (note 16 (c))	(127 305 368)	(185 558 929)
Cost-sharing	(1 213 536)	(713 535)
Sub-trust funds	(3 073 643)	(645 247)
	99 781 488	109 729 801

b/ The transfer of resources in the amount of US$ 516,432 relates to interest earned and shown as interest income in previous years (US$ 429,361) and in the current biennium (US$ 87,071), which was transferred to contributions.

The accompanying notes are an integral part of the financial statements.

STATEMENT VI

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

United Nations Revolving Fund for Natural Resources Exploration

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
4 862 410	Voluntary contributions from Governments		5 012 414
-	Cost-sharing contributions		380 000
-	Government contributions for sub-trust funds		194 742
78 500	Extrabudgetary contributions from Governments		-
	Interest income:		
1 175 962	General resources		429 209
30 405	Miscellaneous income (expenditure)		(26 503)
6 147 277			5 989 862
	Less: Expenditure		
	Project costs:		
8 105 391	General resources a/		5 117 187
-	Sub-trust funds		127 709
2 472 112	Biennial budget expenditure	(schedule 10)	2 535 255
117 837	Extrabudgetary activities		25 422
10 695 340			7 805 573
(4 548 063)	Excess of expenditure over income		(1 815 711)
	ASSETS		
	Cash		
6 707	Convertible currencies		3 718
51 521	Cash at field offices		13 617
6 568 000	Investments	(schedule 9)	1 683 000
1 222	Accounts receivable and deferred charges	(note 17 (a))	522 056
-	Due from UNDP		196 673
14 976	Accrued interest		4 128
6 642 426			2 423 192
	LIABILITIES AND UNEXPENDED RESOURCES		
1 062 538	Accounts payable		78 839
511 062	Management services agreements	(note 17 (b))	30 406
812 718	Due to UNDP		-
126 450	Extra-budgetary account for support costs		-
2 512 768			109 245
	Unexpended resources		
4 104 236	General resources		2 246 914
-	Sub-trust funds	(statement XXV)	67 033
25 422	Extrabudgetary activities		-
4 129 658	Balance as at 31 December 1991 b/		2 313 947
6 642 426			2 423 192

Note: Contributions due from Governments for the current and prior periods total $380,082 (1989: $68,328). An analysis of this amount is provided in note 25.

a/ Includes $701,779 of pre-project expenditure.

b/ Movements in resources:

	General resources	Sub-trust funds	Extra-budgetary activities	Total
Balance as at 1 January 1990	4 104 236	-	25 422	4 129 658
Excess of income over expenditure (Excess of expenditure over income)	(1 857 322)	67 033	(25 422)	(1 815 711)
Balance as at 31 December 1991	2 246 914	67 033	-	2 313 947
Consisting of:				
	1989	1991		
Unspent allocations:				
General resources (note 17 (c))	7 835 728	954 165		
Sub-trust funds	-	67 033		
Unencumbered funds:				
General resources	-	1 292 749		
Extrabudgetary activities	25 422	-		
Allocations in excess of resources:				
General resources	(3 731 492)	-		
	4 129 658	2 313 947		

The accompanying notes are an integral part of the financial statements.

STATEMENT VII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

United Nations Trust Fund for Sudano-Sahelian Activities

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
14 278 931	Voluntary contributions from Governments		11 542 951
31 275 339	Cost-sharing contributions		22 891 627
6 205 604	Government contributions for sub-trust funds		5 638 377
	Interest income:		
5 315 900	General resources		7 147 624
118 757	Sub-trust funds		229 753
78 440	Miscellaneous income		(101 960)
57 272 971			47 348 372
	Less: Expenditure		
	Project costs:		
2 451 268	General resources		7 522 923
27 483 685	Cost-sharing		16 235 603
3 860 402	Sub-trust funds		6 314 219
	Reimbursement of programme support costs to executing agencies:		
105 753	General resources		271 548
1 655 791	Cost-sharing		936 812
264 249	Sub-trust funds		430 135
3 945 918	Biennial budget expenditure	(schedule 10)	5 328 358
39 767 066			37 039 598
	Adjustment to prior years' programme		
(242 558)	expenditure (net): general resources		-
52 128	and cost-sharing		-
	Adjustment to prior years' programme		
(13 425)	support costs (net): general resources		-
37 928	and cost-sharing		-
39 601 139			37 039 598
17 671 832	Excess of income over expenditure		10 308 774
	ASSETS		
	Cash		
525	Convertible currencies		7 847
400	Cash at field office		400
47 993 668	Investments	(schedule 9)	54 914 905
	Operating funds provided to Governments for		
2 066 750	executing projects		3 649 340
438 839	Operating funds provided to other executing agencies		9 893
132 848	Accounts receivable and deferred charges		203 096
788 282	Accrued interest		601 018
	Due from UNEP for UNDP/UNEP		
-	joint-venture activities	(note 18 (b))	379 288
51 421 312			59 765 787

STATEMENT VII (concluded)

1988-1989			1990-1991
	LIABILITIES AND UNEXPENDED RESOURCES		
422 279	Accounts payable		632 623
568 194	Operating funds payable to Governments for executing projects		65 181
318 569	Operating funds payable to other executing agencies		498 436
3 013 432	Unliquidated obligations of executing agencies		893 821
1 241 995	Management service agreement	(note 18 (a))	2 023 627
121 568	Due to UNEP for UNDP/UNEP joint-venture activities		-
2 870 539	Due to UNDP		2 660 295
522 407	Extrabudgetary account for support costs	(note 18 (c))	710 244
9 078 983			7 484 227
	Unexpended resources		
29 475 018	General resources		34 940 804
9 902 753	Cost-sharing resources		15 621 965
2 964 558	Sub-trust funds	(statement XXV)	1 718 791
42 342 329	Balance as at 31 December 1991 a/		52 281 560
51 421 312			59 765 787

Note: Contributions due from Governments for the current and prior periods total $11,718,858 (1989: $4,285,340). An analysis of this amount is provided in note 25.

a/ Movements in resources:

	General resources	Cost-sharing resources	Sub-trust funds	Total
Balance as at 1 January 1990	29 475 018	9 902 753	2 964 558	42 342 329
Excess of income over expenditure (Excess of expenditure over income)	5 465 786	5 719 212	(876 224)	10 308 774
Transfer of resources b/	-	-	(369 543)	(369 543)
Balance as at 31 December 1991	34 940 804	15 621 965	1 718 791	52 281 560

Consisting of:

	1989	1991
Unspent allocations:		
General resources	1 852 535	16 208 125
Cost-sharing	22 389 440	33 624 813
Sub-trust funds	1 968 002	4 949 047
Unencumbered funds:		
General resources	27 622 484	18 732 679
Sub-trust funds	996 555	-
Allocations in excess of resources:		
Cost-sharing	(12 486 687)	(18 002 848)
Sub-trust funds	-	(3 230 256)
	42 342 329	52 281 560

b/ See statement XXV.

The accompanying notes are an integral part of the financial statements.

STATEMENT VIII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

United Nations Volunteers programme

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
2 319 538	Voluntary contributions from Governments		1 855 367
3 132 850	Government contributions for sub-trust funds		7 337 627
4 220	Donations		6 780
	Interest income:		
443 728	General resources		1 319 955
58 282	Sub-trust funds		387 589
7 382 479	Recovery of external costs	(note 19 (a))	7 685 174
(105 975)	Miscellaneous income (expenditure)		(93 752)
13 235 122			18 498 740
	Less: Expenditure		
	Project costs:		
6 602 680	General resources		10 273 506
165 046	Sub-trust funds		5 568 254
	Reimbursement of programme support costs to executing agencies:		
20 000	Sub-trust funds		549 008
6 787 726			16 390 768
6 447 396	Excess of income over expenditure		2 107 972
	ASSETS		
4 694 014	Investments	(schedule 9)	20 133 374
58 299	Due from UNHCR	(note 19 (b))	95 360
5 857 565	Due from UNDP		-
516 625	Accounts receivable and deferred charges		349 350
13 049	Accrued interest		157 049
11 139 552			20 735 133
	LIABILITIES AND UNEXPENDED RESOURCES		
526 753	Accounts payable		1 333 482
774 632	Projects financed by donor Governments	(note 19 (b))	1 358 345
-	Due to UNDP		5 579 244
38 513	Extrabudgetary account for support costs	(note 19 (c))	556 436
1 339 898			8 827 507
	Unexpended resources		
6 355 794	General resources		6 855 812
3 443 860	Sub-trust funds	(statement XXV)	5 051 814
9 799 654	Balance as at 31 December 1991 a/		11 907 626
11 139 552			20 735 133

Note: Contributions due from Governments for the current and prior periods total $2,632,361 (1989: $4,045,546). An analysis of this amount is provided in note 25.

a/ Movements in resources:

	General resources	Sub-trust funds	Total
Balance as at 1 January 1990	6 355 794	3 443 860	9 799 654
Excess of income over expenditure	500 018	1 607 954	2 107 972
Balance as at 31 December 1991	6 855 812	5 051 814	11 907 626

Consisting of:

	1989	1991
Unspent allocations:		
General resources - (note 19 (d))	5 544 015	5 435 173
Sub-trust funds	4 254 954	6 718 168
Unencumbered funds - General resources	811 779	1 420 639
Allocations in excess of resources Sub-trust funds	(811 094)	(1 666 354)
	9 799 654	11 907 626

The accompanying notes are an integral part of the financial statements.

STATEMENT IX

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

United Nations Fund for Science and Technology for Development

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
1 968 294	Voluntary contributions from Governments		307 796
860 372	Cost-sharing contributions		781 435
8 736 381	Government contributions for sub-trust funds		4 578 840
	Interest income:		
743 645	General resources and cost-sharing		454 338
232 502	Sub-trust funds		234 135
25 219	Miscellaneous income (expenditure)		60 092
-	Transfer of income from other trust funds		863
12 566 413			6 417 499
	Less: Expenditure		
	Project costs:		
1 513 376	General resources and cost-sharing		1 463 115
8 245 436	Sub-trust funds		2 971 673
	Reimbursement of programme support costs to executing agencies:		
75 023	General resources and cost-sharing		73 250
700 980	Sub-trust funds		300 448
1 506 904	Biennial budget expenditure	(schedule 10)	1 325 125
77 376	Extrabudgetary expenditure	(note 20 (a))	34 140
12 119 095			6 167 751
447 318	Excess of income over expenditure		249 748
	ASSETS		
	Cash		
6 691	Convertible currencies		708 612
	Non-convertible currencies pending		
137 136	United States dollar credit from UNDP		137 136
4 060 000	Investments	(schedule 9)	4 600 000
	Operating funds provided to Governments for		
647 759	executing projects		302 387
	Operating funds provided to other		
42 780	executing agencies		14 777
5 419	Accounts receivable and deferred charges		300 119
34 775	Accrued interest		46 217
4 934 560			6 109 248

STATEMENT IX (concluded)

1988-1989			1990-1991
	LIABILITIES, RESERVES AND UNEXPENDED RESOURCES		
256 715	Accounts payable		1 350
32 156	Operating funds payable to Governments for executing projects		6 028
53 787	Operating funds payable to other executing agencies		41 344
192 946	Unliquidated obligations of executing agencies		295 287
418 640	Due to UNDP		1 470 750
931	Extrabudgetary account for support costs	(note 20 (b))	65 356
955 175			1 880 115
	Unexpended resources		
3 679 364	General and cost-sharing resources		2 421 535
94 289	Extrabudgetary activities	(note 20 (a))	60 149
205 732	Sub-trust funds	(statement XXV)	1 747 449
3 979 385	Balance as at 31 December 1991 a/		4 229 133
4 934 560			6 109 248

Note: Contributions due from Governments for the current and prior periods total $2,106,854 (1989: $4,595,272). An analysis of this amount is provided in note 25.

a/ Movements in resources:

	General resources and cost-sharing	Extra-budgetary activities	Sub-trust funds	Total
Balance as at 1 January 1990	3 679 364	94 289	205 732	3 979 385
Excess of income over expenditure (Excess of expenditure over income)	(1 257 829)	(34 140)	1 541 717	249 748
Balance as at 31 December 1991	2 421 535	60 149	1 747 449	4 229 133

Consisting of:

	1989	1991
Unspent allocations:		
General resources and cost-sharing	1 984 919	1 579 467
Sub-trust funds	3 187 494	2 192 317
Unencumbered funds:		
General resources and cost-sharing	1 694 445	842 068
Extrabudgetary activities	94 289	60 149
Allocations in excess of resources:		
Sub-trust funds	(2 981 762)	(444 868)
	3 979 385	4 229 133

The accompanying notes are an integral part of the financial statements.

STATEMENT X

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
	Contributions from the United Nations Fund for Namibia (Nationhood Programme)		1 476 800
348 880	Interest income		101 855
251 261	Miscellaneous income		36 016
9 960			
610 101			1 614 671
	Less: Expenditure		
1 921 086	Project costs		1 570 759
	Reimbursement of programme support costs		
135 884	to executing agencies		111 402
2 056 970			1 682 161
	Adjustment to prior years programme expenditure (net)		2 459
-	Adjustment to prior years' programme support costs (net)		320
-			
2 056 970			1 684 940
	Transfer of interest income to the United Nations	(note 21)	
404 657			101 855
2 461 627			1 786 795
(1 851 526)	Excess of expenditure over income		(172 124)
	ASSETS		
	Cash		
3 779	Convertible currencies		7 731
920 000	Investments	(schedule 9)	1 540 000
309 443	Operating funds provided to executing agencies		248 536
375	Accrued interest		4 078
1 233 597			1 800 345
	LIABILITIES AND UNEXPENDED RESOURCES		
251 261	Acccounts payable		32 813
468 417	Operating funds payable to executing agencies		108 174
87 300	Unliquidated obligations of executing agencies		59 930
154 442	Due to UNDP		1 499 375
961 420			1 700 292
	Unexpended resources		
2 123 703	Balance as at 1 January 1990		272 177
(1 851 526)	Excess of expenditure over income		(172 124)
272 177	Balance as at 31 December 1991 a/		100 053
1 233 597			1 800 345

a/ Consisting of:

	1989	1991
Unspent allocations	1 250 318	449 075
Allocations in excess of resources	(978 141)	(349 022)
	272 177	100 053

The accompanying notes are an integral part of the financial statements.

STATEMENT XI

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

United Nations Development Fund for Women

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
12 604 884	Voluntary contributions from Governments		18 886 409
615 296	Cost-sharing contributions		1 659 824
4 009 813	Government contributions for sub-trust funds		-
728 254	Donations		1 168 863
	Interest income:		
2 710 058	General resources and cost-sharing		2 117 677
72 684	Sub-trust funds		485 571
206 536	Miscellaneous income		(7 610)
20 947 525			24 310 734
	Less: Expenditure		
	Project costs:		
9 678 707	General resources		16 100 841
196 210	Cost-sharing		275 107
976 690	Sub-trust funds		1 019 339
	Reimbursement of programme support costs to executing agencies:		
582 703	General resources		884 158
-	Cost-sharing		2 024
111 614	Sub-trust funds		105 392
719 913	Technical support costs	(note 22 (a))	1 261 722
3 189 765	Biennial budget expenditure	(schedule 10)	3 704 490
15 455 602			23 353 073
115 597	Adjustment to prior years' programme expenditure (net) - general resources		-
(7 048)	Adjustment to prior years' programme support costs (net) - general resources		-
15 564 151			23 353 073
5 383 374	Excess of income over expenditure		957 661
	ASSETS		
	Cash		
101 407	Convertible currencies		1 305 834
13 813 500	Investments	(schedule 9)	8 390 000
1 998 746	Operating funds provided to Governments for executing projects		3 289 236
835 552	Operating funds provided to other executing agencies		1 311 224
-	Due from UNDP		73 941
5 356	Accounts receivable and deferred charges		3 637
430 062	Accrued interest		156 304
-	Extrabudgetary account for support costs		32 733
17 184 623			14 562 909
5 800 000	Investments of the operational reserve	(schedule 9)	6 200 000
22 984 623			20 762 909

STATEMENT XI (concluded)

1988-1989			1990-1991
	LIABILITIES AND UNEXPENDED RESOURCES		
146 173	Accounts payable		221 481
34 450	Operating funds payable to Governments for executing projects		501 881
34 431	Operating funds payable to other executing agencies		173 198
617 351	Unliquidated obligations of executing agencies		458 774
100 627	Management service agreements	(note 22 (b))	16 197
3 617 874	Due to UNDP		-
4 550 906			1 371 531
5 800 000	Operational reserve	(note 22 (c))	6 200 000
	Unexpended resources		
8 776 566	General resources		8 400 251
-	Cost-sharing		1 573 136
3 857 151	Sub-trust funds	(statement XXV)	3 217 991
12 633 717	Balance as at 31 December 1991 a/		13 191 378
22 984 623			20 762 909

Note: Contributions due from Governments for the current and prior periods total $2,046,729 (1989: $2,006,646). An analysis of this amount is provided in note 25.

a/ Movement in resources:

	General resources	Cost-sharing	Sub-trust funds	Total
Balance 1 January 1990	8 586 123	190 443	3 857 151	12 633 717
Excess of income over expenditure (Excess of expenditure over income)	214 128	1 382 693	(639 160)	957 661
	8 800 251	1 573 136	3 217 991	13 591 378
Transfer to operational reserve	(400 000)	-	-	(400 000)
Balance as at 31 December 1991	8 400 251	1 573 136	3 217 991	13 191 378

Consisting of:

	1989	1991
Unspent allocations:		
General resources	8 545 855	8 914 590
Cost-sharing	465 488	1 973 595
Sub-trust funds	4 753 066	4 401 637
Unencumbered funds:		
General resources	40 268	-
Allocations in excess of resources:		
General resources	-	(514 339)
Cost-sharing	(275 045)	(400 459)
Sub-trust funds	(895 915)	(1 183 646)
	12 633 717	13 191 378

The accompanying notes are an integral part of the financial statements.

STATEMENT XII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

UNDP Energy Account

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
660	Voluntary contributions from Governments	33 676
7 410 114	Cost-sharing contributions	3 222 830
1 089 698	Interest income	521 624
(7 220)	Miscellaneous income (expenditure)	43 503
8 493 252		3 821 633
	Less: Expenditure	
8 326 912	Project costs	4 759 746
85 973	Reimbursement of programme support costs to executing agencies	184 543
107 417	Administrative and programme support costs	287 200
8 520 302		5 231 489
(79 860)	Adjustment to prior years' programme expenditure (net)	10 205
(6 460)	Adjustment to prior years' programme support costs (net)	-
8 433 982		5 241 694
59 270	Excess of expenditure over income (1989: Excess of income over expenditure)	(1 420 061)
	ASSETS	
	Cash	
2 216	Convertible currencies	23 816
8 750 000	Investments	-
5 186	Operating funds provided to Governments for executing projects	5 186
36 598	Operating funds provided to other executing agencies	13 074
-	Due from UNDP	5 011 587
151 102	Accrued interest	-
8 945 102		5 053 663
	LIABILITIES AND UNEXPENDED RESOURCES	
700	Accounts payable	5 600
8 609	Operating funds payable to Governments for executing projects	8 609
2 192 528	Operating funds payable to other executing agencies	137 057
812 765	Unliquidated obligations of executing agencies	528 610
136 652	Due to UNDP	-
3 151 254		679 876
	Unexpended resources	
5 734 578	Balance as at 1 January 1990	5 793 848
59 270	Excess of expenditure over income (1989: Excess of income over expenditure)	(1 420 061)
5 793 848	Balance as at 31 December 1991 a/	4 373 787
8 945 102		5 053 663

Note: Contributions due from Governments for the current and prior periods total $666,429 (1989: $409,227). An analysis of this amount is provided in note 25.

a/ Consisting of:

	1989	1991
Unspent allocations	1 466 777	1 796 278
Unencumbered funds	4 327 071	2 577 509
	5 793 848	4 373 787

The accompanying notes are an integral part of the financial statements.

STATEMENT XIII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

Initial Initiative against Avoidable Disablement (IMPACT)

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
116 562	Voluntary contributions from Governments and other contributors	1 634
	Less: Expenditure	
130 808	Project costs	2 378
	Reimbursement of programme support costs to:	
-	UNDP a/	7 386
130 808		9 764
(14 246)	Excess of expenditure over income	(8 130)
	ASSETS	
23 488	Due from UNDP	-
23 488		-
	LIABILITIES AND UNEXPENDED RESOURCES	
15 358	Unliquidated obligations of executing agencies	-
15 358		-
	Unexpended resources	
22 376	Balance as at 1 January 1990	8 130
(14 246)	Excess of income over expenditure	(8 130)
8 130	Balance as at 31 December 1991 b/	-
23 488		-

a/ This amount includes prior periods' charges.

b/ Consisting of:

	1989	1991
Unspent allocations	12 780	-
Allocations in excess of resources	(4 650)	-
	8 130	-

The accompanying notes are an integral part of the financial statements.

STATEMENT XIV

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

Trust Fund for the Training in the USSR of Specialists from Developing Countries

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
5 944 097	Voluntary contributions from Governments		2 957 611
75 907	Interest income		92 395
69 511	Miscellaneous income (expenditure)	(note 23)	(2 494 289)
6 089 515			555 717
	Less: Expenditure		
5 032 478	Project costs		2 255 592
	Reimbursement of programme support costs to:		
650 314	Executing agencies		282 111
245 000	UNDP		340 000
5 927 792			2 877 703
(223)	Adjustment to prior years' programme expenditure (net)		-
5 927 569			2 877 703
161 946	Excess of expenditure over income (1989: Excess of income over expenditure)		(2 321 986)
	ASSETS		
783 361	Operating funds provided to executing agencies		609 771
3 102 662	Due from UNDP		391 038
3 886 023			1 000 809
	LIABILITIES AND UNEXPENDED RESOURCES		
580 506	Operating funds payable to executing agencies		691 052
883 222	Unliquidated obligations of executing agencies		209 448
1 463 728			900 500
	Unexpended resources		
2 260 349	Balance as at 1 January 1990		2 422 295
161 946	Excess of expenditure over income (1989: Excess of income over expenditure)		(2 321 986)
2 422 295	Balance as at 31 December 1991 a/		100 309
3 886 023			1 000 809

Note: Contributions due from Governments for current period total $1,575,029. An analysis of this amount is provided in note 25.

a/ Consisting of:

	1989	1991
Unspent allocations	1 692 274	2 177 172
Unencumbered funds	730 021	-
Allocations in excess of resources	-	(2 076 863)
	2 422 295	100 309

The accompanying notes are an integral part of the financial statements.

STATEMENT XV

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

Trust Fund for Special Netherlands Contribution for the Least Developed Countries

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
382 829	Interest income	414 641
	Less: Expenditure	
620 596	Project costs	803 003
80 680	Reimbursement of programme support costs to executing agencies	104 390
701 276		907 393
(318 447)	Excess of expenditure over income	(492 752)
	ASSETS	
2 688 193	Due from UNDP	2 425 494
	LIABILITIES AND UNEXPENDED RESOURCES	
14 912	Unliquidated obligations of executing agencies	244 965
	Unexpended resources	
2 991 728	Balance as at 1 January 1990	2 673 281
(318 447)	Excess of expenditure over income	(492 752)
2 673 281	Balance as at 31 December 1991 a/	2 180 529
2 688 193		2 425 494

a/ Consisting of:

	1989	1991
Unspent allocations	1 771 166	1 047 262
Unencumbered funds	902 115	1 133 267
	2 673 281	2 180 529

The accompanying notes are an integral part of the financial statements.

STATEMENT XVI

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

UNDP Trust Fund for Developing Countries Afflicted by Famine and Malnutrition

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
150 000	Cost-sharing contributions from Governments	434 663
1 080 714	Interest income	272 470
4 562	Miscellaneous income (expenditure)	(284)
1 235 276		706 849
	Less: Expenditure	
4 861 612	Project costs	2 906 036
-	Reimbursement of programme costs to: Executing agencies	(672)
4 861 612		2 905 364
(3 626 336)	Excess of expenditure over income	(2 198 515)
	ASSETS	
	Cash	
1 576	Convertible currencies	2 199
3 350 000	Investments	-
-	Government Letter of Credit	303 000
	Operating funds provided to Governments for	
1 975 959	executing projects	2 059 874
139 921	Operating funds provided to executing agencies	69 757
13 557	Accrued interest	-
-	Due from UNDP	567 283
5 481 013		3 002 113
	LIABILITIES AND UNEXPENDED RESOURCES	
	Operating funds payable to Governments for	
86 299	executing projects	95 565
3 407	Operating funds payable to executing agencies	19 668
169 943	Unliquidated obligations of executing agencies	31 704
167 673	Due to UNDP	-
427 322		146 937
	Unexpended resources	
8 680 027	Balance as at 1 January 1990	5 053 691
(3 626 336)	Excess of expenditure over income	(2 198 515)
5 053 691	Balance as at 31 December 1991 a/	2 855 176
5 481 013		3 002 113

a/ Consisting of:

	1989	1991
Unspent allocations	3 971 758	3 828 982
Unencumbered funds	1 081 933	-
Allocations in excess of resources	-	(973 806)
	5 053 691	2 855 176

The accompanying notes are an integral part of the financial statements.

STATEMENT XVII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

Pérez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
1 255 639	Interest income		1 120 250
(40)	Miscellaneous income (expenditure)		-
1 255 599			1 120 250
	Less: Expenditure		
867 283	Project costs		1 041 079
-	Reimbursement of programme support costs to: UNDP a/		33 356
867 283			1 074 435
388 316	Excess of income over expenditure		45 815
	ASSETS		
	Cash		
4 961	Convertible currencies		3 395
6 504 359	Investments	(schedule 9)	6 561 704
	Operating funds provided to Governments		
99 080	for executing projects		707 640
72 583	Operating funds provided to executing agencies		71 252
226	Due from UNDP		-
135 433	Accrued interest		147 524
6 816 642			7 491 515
	LIABILITIES AND UNEXPENDED RESOURCES		
-	Unliquidated obligations of executing agencies		6 306
-	Due to UNDP		622 752
-			629 058
	Unexpended resources		
6 428 326	Balance as at 1 January 1990		6 816 642
388 316	Excess of income over expenditure		45 815
6 816 642	Balance as at 31 December 1991 b/		6 862 457
6 816 642			7 491 515

a/ This amount includes prior periods' charges.

b/ Consisting of:

	1989	1991
Unspent allocations	483 595	1 405 196
Unencumbered funds	6 333 047	5 457 261
	6 816 642	6 862 457

The accompanying notes are an integral part of the financial statements.

STATEMENT XVIII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

UNDP Trust Fund for Assistance to Refugee-related Development Projects in Africa

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
1 068 850	Voluntary contributions from Governments	-
1 000 990	Interest income	367 912
841	Miscellaneous income	-
2 070 681		367 912
	Less: Expenditure	
2 493 363	Project costs	2 244 105
	Reimbursement of programme support costs to:	
196 131	Executing agencies	246 969
273 800	UNDP	287 300
2 963 294		2 778 374
84 972	Adjustment to prior year's programme expenditure (net)	(84 972)
11 046	Adjustment to prior year's programme support costs (net)	(11 046)
3 059 312		2 682 356
(988 631)	Excess of expenditure over income	(2 314 444)
	ASSETS	
4 185 387	Investments	-
	Operating funds provided to Governments	
232 292	for executing projects	240 167
360 412	Operating funds provided to other executing agencies	154 834
66 872	Accrued interest	-
531 989	Due from UNDP	2 622 124
5 376 952		3 017 125
	LIABILITIES AND UNEXPENDED RESOURCES	
26 773	Accounts payable	-
	Operating funds payable to Governments for executing projects	13 004
95 157	Unliquidated obligations of executing agencies	63 543
121 930		76 547
	Unexpended resources	
6 243 653	Balance as at 1 January 1990	5 255 022
(988 631)	Excess of expenditure over income	(2 314 444)
5 255 022	Balance as at 31 December 1991 a/	2 940 578
5 376 952		3 017 125

a/ Consisting of:

	1989	1991
Unspent allocations	2 192 244	2 079 923
Unencumbered funds	3 062 778	860 655
	5 255 022	2 940 578

The accompanying notes are an integral part of the financial statements.

STATEMENT XIX

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

UNDP Trust Fund to Combat Poverty and Hunger in Africa

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989			1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM		
-	Extrabudgetary contributions from Governments		540 428
963	Donations		-
159 837	Interest income - sub-trust funds		159 144
160 800			699 572
	Less: Expenditure		
-	Project costs:		
	General resources		98
2 290 723	Sub-trust funds		424 524
251 982	Reimbursement of programme support costs:		
	Executing agencies - sub-trust funds		46 698
-	UNDP - sub-trust funds a/		62 120
-	Extrabudgetary activities	(note 24)	187 902
2 542 705			721 342
(2 381 905)	Excess of expenditure over income		(21 770)
	ASSETS		
-	Accounts receivable and deferred charges		517
1 120 762	Due from UNDP		1 082 937
1 120 762			1 083 454
	LIABILITIES AND UNEXPENDED RESOURCES		
-	Accounts payable		41 827
57 365	Unliquidated obligations of executing agencies		-
57 365			41 827
	Unexpended resources		
44 307	General resources		44 209
1 018 603	Sub-trust funds	(statement XXV)	644 405
487	Extrabudgetary activities	(note 24)	353 013
1 063 397	Balance as at 31 December 1991 b/		1 041 627
1 120 762			1 083 454

a/ This amount includes prior periods' charges.

b/ Movements in resources:

	General resources	Sub-trust funds	Extra-budgetary activities	Total
Balance as at 1 January 1990	44 307	1 018 603	487	1 063 397
Excess of income over expenditure (Excess of expenditure over income)	(98)	(374 198)	352 526	(21 770)
Balance as at 31 December 1991	44 209	644 405	353 013	1 041 627

Consisting of:

	1989	1991
Unspent allocations - sub-trust funds	-	57 498
Unencumbered funds:		
General resources	44 307	44 209
Sub-trust funds	1 018 603	586 907
Extrabudgetary activities	487	353 013
	1 063 397	1 041 627

The accompanying notes are an integral part of the financial statements.

STATEMENT XX

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

Trust Fund for the Norwegian Contribution to the Angolan Petroleum Training Centre in Sumbe

Status of funds for the biennium ended 31 December 1991,
with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
27 488	Interest income	66 599
27 488		66 599
27 488	Excess of income over expenditure	66 599
	ASSETS	
420 528	Due from UNDP	487 127
	LIABILITIES AND UNEXPENDED RESOURCES	
	Unexpended resources	
393 040	Balance as at 1 January 1990	420 528
27 488	Excess of income over expenditure	66 599
420 528	Balance as at 31 December 1991 a/	487 127
420 528		487 127

a/ Consisting of:

	1989	1991
Unspent allocations	50 001	50 001
Unencumbered funds	370 527	437 126
	420 528	487 127

The accompanying notes are an integral part of the financial statements.

STATEMENT XXI

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator

Trust Fund for the Global Environment Facility

Status of funds for the biennium ended 31 December 1991, with comparative figures for 1988-1989

(United States dollars)

1988-1989		1990-1991
	INCOME AND EXPENDITURE FOR THE BIENNIUM	
	Voluntary contributions from Governments and other contributors	2 500 000
-	Cost-sharing contributions	70 000
-		2 570 000
	Less: Expenditure	
-	Project costs	1 811 189
	Reimbursement of programme support costs to:	
-	Executing agencies	199 723
-		2 010 912
-	Excess of income over expenditure	559 088
	ASSETS	
-	Due from UNDP	1 317 939
	LIABILITIES AND UNEXPENDED RESOURCES	
-	Operating funds payable to executing agencies	22 746
-	Unliquidated obligations of executing agencies	736 105
-		758 851
	Unexpended resources	
-	Balance as at 1 January 1990	-
-	Excess of income over expenditure	559 088
-	Balance as at 31 December 1991 a/	559 088
-		1 317 939

a/ Consisting of:

	1989	1991
Unspent allocations	-	1 703 347
Allocations in excess of resources	-	(1 144 259)
	-	559 088

The accompanying notes are an integral part of the financial statements.

STATEMENT XXII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Trust funds established by the Administrator in respect of World Bank projects

Status of funds for the biennium ended 31 December 1991,

(United States dollars)

	Trust Fund for Technical Assistance in Panama	Trust Fund for Technical Assistance in Zambia
INCOME AND EXPENDITURE FOR THE BIENNIUM		
Voluntary contributions from Governments	-	-
Less: Expenditure		
Project costs	-	-
Reimbursement of programme support costs to executing agencies	-	-
Excess of income over expenditure	-	-
ASSETS		
Due from UNDP	338 591	115
LIABILITIES AND UNEXPENDED RESOURCES		
Unexpended resources		
Balance as at 1 January 1990	338 591	115
Excess of income over expenditure	-	-
Balance as at 31 December 1991 a/	338 591	115
	338 591	115

a/ Consisting of:

	Trust Fund for Technical Assistance in Panama	Trust Fund for Technical Assistance in Zambia
Unspent allocations	321 956	-
Unencumbered funds	16 635	115
	338 591	115

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Other trust funds established by the Administrator

Status of funds for the biennium ended 31 December 1991

(United States dollars)

	Australian Development Assistance Bureau (ADAB)/UNDP Programme Trust Fund	CIDA/UNDP Trust Fund for the Bangladesh National Household Survey Capability Programme a/
INCOME AND EXPENDITURE FOR THE BIENNIUM		
Voluntary contributions from Governments and other contributors	1 099 292	546 069
Interest income	87 453	-
	1 186 745	546 069
Less: Expenditure		
Project costs	852 220	427 003
Reimbursement of programme support costs to:		
Executing agencies	99 139	55 511
UNDP	-	4 271
	951 359	486 785
Adjustment to prior years' programme expenditure (net)	37 171	-
Adjustment to prior years' programme support costs (net)	4 832	-
	993 362	486 785
Excess of income over expenditure	193 383	59 284
ASSETS		
Operating funds provided to Governments for executing projects	69 303	-
Operating funds provided to executing agencies	94 634	-
Due from UNDP	536 211	359 442
	700 148	359 442
LIABILITIES AND UNEXPENDED RESOURCES		
Operating funds payable to other executing agencies	15 075	219 924
Unliquidated obligations of executing agencies	19 369	60 900
	34 444	280 824
Unexpended resources		
Balance as at 1 January 1990	472 321	19 334
Excess of income over expenditure	193 383	59 284
Balance as at 31 December 1991 b/	665 704	78 618
	700 148	359 442

a/ Contributions due from Governments for prior periods total $332,985 (1989: $878,347). An analysis of this amount is provided in note 25.

b/ Consisting of:

	Australian Development Assistance Bureau (ADAB)/UNDP Programme Trust Fund	CIDA/UNDP Trust Fund for the Bangladesh National Household Survey Capability Programme
Unspent allocations	415 292	375 037
Unencumbered funds	250 412	-
Allocations in excess of resources	-	(296 419) c/
	665 704	78 618

c/ Allocations exceeding resources were issued on the basis of contributions receivable for prior periods.

The accompanying notes are an integral part of the financial statements.

	CIDA/UNDP Trust Fund for the Caribbean Project Development Facility d/	CIDA/UNDP Trust Fund for the Pakistan National Household Survey Capability Programme e/	UNDP Trust Fund for Receipt of Payments by Users of the Caribbean Project Development Facility
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	851 450	-	673 271
Interest income	2 589	11 518	32 937
	854 039	95 163	706 208
Less: Expenditure			
Project costs	789 809	147 905	672 604
Reimbursement of programme support costs to:			
Executing agencies	86 790	19 227	73 980
UNDP	35 292 f/	1 479	9 223 f/
	911 891	168 611	755 807
Excess of expenditure over income	(57 852)	(73 448)	(49 599)
ASSETS			
Operating funds provided to executing agencies	-	65 552	-
Due from UNDP	-	17 531	164 073
	-	83 083	164 073
LIABILITIES AND UNEXPENDED RESOURCES			
Unliquidated obligations of executing agencies	-	11 154	-
Due to UNDP	32 703	-	-
	32 703	11 154	-
Unexpended resources			
Balance as at 1 January 1990	25 149	145 377	213 672
Excess of expenditure over income	(57 852)	(73 448)	(49 599)
Balance as at 31 December 1991 g/	(32 703)	71 929	164 073
	-	83 083	164 073

d/ Contributions due from Governments for current period total $348,551. An analysis of this amount is provided in note 25.

e/ Contributions due from Governments for prior periods total $141,828 (1989: $225,473). An analysis of this amount is provided in note 25.

f/ This amount includes prior periods' charges.

g/ Consisting of:

	CIDA/UNDP Trust Fund for the Caribbean Project Development Facility	CIDA/UNDP Trust Fund for the Pakistan National Household Survey Capability Programme	UNDP Trust Fund for Receipt of Payments by Users of the Caribbean Project Development Facility
Unspent allocations	308 773	186 053	124 441
Unencumbered funds	-	-	40 032
Allocations in excess of resources	(341 476) h/	(114 124) h/	-
	(32 703)	71 929	164 073

h/ Allocations exceeding resources were issued on the basis of contributions receivable for current and prior periods.

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP Trust Fund for Action on Development Issues i/	UNDP Trust Fund for Support to the Programmes of the Ministry of Planning of Costa Rica j/	UNDP Trust Fund for Assistance to the Technical Co-operation Fund between Peru and Argentina to Administer Food Aid
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	1 700 000	-	623 023
Interest income	18 128	76 254	21 918
Miscellaneous expenditure	-	-	(846)
	1 718 128	76 254	644 095
Less: Expenditure			
Project costs	1 952 863	-	404 029
Reimbursement of programme support costs to:			
Executing agencies	97 642	-	-
UNDP	40 032 k/	-	24 921
	2 090 537	-	428 950
Excess of income over expenditure (Excess of expenditure over income)	(372 409)	76 254	215 145
ASSETS			
Operating funds provided to Governments for executing projects	-	194 285	29 535
Deferred charges	30 888	-	-
Due from UNDP	82 554	332 140	311 365
	113 442	526 425	340 900
LIABILITIES AND UNEXPENDED RESOURCES			
Unliquidated obligations of executing agencies	2 730	-	-
	2 730	-	-
Unexpended resources			
Balance as at 1 January 1990	483 121	450 171	125 755
Excess of income over expenditure (Excess of expenditure over income)	(372 409)	76 254	215 145
Balance as at 31 December 1991 l/	110 712	526 425	340 900
	113 442	526 425	340 900

i/ Contributions due from Governments for current period total $398,000. An analysis of this amount is provided in note 25.

j/ Contributions due from Governments for prior periods total $308,593 (1989: $308,593). An analysis of this amount is provided in note 25.

k/ This amount includes prior periods' charges.

l/ Consisting of:

	UNDP Trust Fund for Action on Development Issues	UNDP Trust Fund for Support to the Programmes of the Ministry of Planning of Costa Rica	UNDP Trust Fund for Assistance to the Technical Co-operation Fund between Peru and Argentina to Administer Food Aid
Unspent allocations	154 487	639 084	(62 516)
Unencumbered funds	-	-	403 416
Allocations in excess of resources	(43 775) m/	(112 659) m/	-
	110 712	526 425	340 900

m/ Allocations exceeding resources were issued on the basis of contributions receivable for current and prior periods.

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP/Live Aid Foundation Trust Fund	UNDP/United Support of Artists for Africa Trust Fund	Government of France Trust Fund for the UNDP/World Bank Energy Sector Assessment Programme
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	-	-	1 152 615
Interest income	5 480	50 454	78 346
	5 480	50 454	1 230 961
Less: Expenditure			
Project costs	-	-	492 611
Reimbursement of programme support costs to:			
Executing agencies	-	-	44 336
UNDP	-	-	9 852
	-	-	546 799
Excess of income over expenditure	5 480	50 454	684 162
ASSETS			
Operating funds provided to executing agencies	-	89 862	-
Due from UNDP	40 068	270 243	1 578 423
	40 068	360 105	1 578 423
LIABILITIES AND UNEXPENDED RESOURCES			
Operating funds payable to other executing agencies	-	-	173 022
Unliquidated obligations of executing agencies	-	-	83 500
	-	-	256 522
Unexpended resources			
Balance as at 1 January 1990	34 588	309 651	637 739
Excess of income over expenditure	5 480	50 454	684 162
Balance as at 31 December 1991 a/	40 068	360 105	1 321 901
	40 068	360 105	1 578 423

a/ Consisting of:

	UNDP/Live Aid Foundation Trust Fund	UNDP/United Support of Artists for Africa Trust Fund	Government of France Trust Fund for the UNDP/World Bank Energy Sector Assessment Programme
Unspent allocations	30 309	4 119	1 125 942
Unencumbered funds	9 759	355 986	195 959
	40 068	360 105	1 321 901

The accompanying notes are an integral part of the financial statements.

	Nicosia Master Plan: Implementation Phase	Finland/UNDP Trust Fund for the Construction of an Agro-Veterinary School in Rushashi o/	Trust Fund for Emergency Assistance to the People's Republic of Mozambique p/
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Cost-sharing income	-	-	6 196 505
Interest income	18 484	488 454	155 601
	18 484	488 454	6 352 106
Less: Expenditure			
Project costs	36 736	1 434 457	4 645 431
Reimbursement of programme support costs to:			
Executing agencies	1 469	86 067	20 205
UNDP	-	15 034 q/	72 956
	38 205	1 535 558	4 738 592
Excess of income over expenditure (Excess of expenditure over income)	(19 721)	(1 047 104)	1 613 514
ASSETS			
Operating funds provided to Governments for executing projects	-	-	204 271
Operating funds provided to executing agencies	-	-	330 000
Due from UNDP	95 788	3 165 841	1 612 194
	95 788	3 165 841	2 146 465
LIABILITIES AND UNEXPENDED RESOURCES			
Unliquidated obligations of executing agencies	-	488 105	-
	-	488 105	-
Unexpended resources			
Balance as at 1 January 1990	115 509	3 724 840	532 951
Excess of income over expenditure (Excess of expenditure over income)	(19 721)	(1 047 104)	1 613 514
Balance as at 31 December 1991 r/	95 788	2 677 736	2 146 465
	95 788	3 165 841	2 146 465

o/ Contributions due from Governments for prior periods total $340,767 (1989: $340,767). An analysis of this amount is provided in note 25.

p/ Contributions due from Governments for current and prior periods total $816,930 (1989: $105,075). An analysis of this amount is provided in note 25.

q/ This amount includes prior periods' charges.

r/ Consisting of:

	Nicosia Master Plan: Implementation Phase	Finland/UNDP Trust Fund for the Construction of an Agro-Veterinary School in Rushashi	Trust Fund for Emergency Assistance to the People's Republic of Mozambique
Unspent allocations	56 685	2 380 126	2 709 566
Unencumbered funds	39 103	297 610	(563 101)
	95 788	2 677 736	2 146 465

The accompanying notes are an integral part of the financial statements.

	Finland Trust Fund for National Technical Cooperation Assessment and Programme Activities (NaTCAP)	CIDA/UNDP Trust Fund for African Project Development Facility s/	CIDA/UNDP Trust Fund to Support Project "Development of Underground Water Resources in Mali"
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	-	704 969	-
Interest income	310 874	-	-
	310 874	704 969	-
Less: Expenditure			
Project costs	1 161 586	550 344	-
Reimbursement of programme support costs to:			
Executing agencies	127 775	60 538	-
UNDP	34 848	9 117	-
	1 324 209	619 999	-
Excess of income over expenditure (Excess of expenditure over income)	(1 013 335)	84 970	-
ASSETS			
Operating funds provided to executing agencies	-	1 872	760
Due from UNDP	1 227 862	559 269	2 944
Accounts receivable and deferred charges	1 795	-	-
	1 229 657	561 141	3 704
LIABILITIES AND UNEXPENDED RESOURCES			
Operating funds payable to executing agencies	-	435 642	-
Unliquidated obligations of executing agencies	20 199	15 099	-
	20 199	450 741	-
Unexpended resources			
Balance as at 1 January 1990	2 222 793	25 430	3 704
Excess of income over expenditure (Excess of expenditure over income)	(1 013 335)	84 970	-
Balance as at 31 December 1991 t/	1 209 458	110 400	3 704
	1 229 657	561 141	3 704

s/ Contributions due from Governments for current period total $1,052,632 (1989: $3,685). An analysis of this amount is provided in note 25.

t/ Consisting of:

	Finland Trust Fund for National Technical Cooperation Assessment and Programme Activities (NaTCAP)	CIDA/UNDP Trust Fund for African Project Development Facility	CIDA/UNDP Trust Fund to Support Project "Development of Underground Water Resources in Mali"
Unspent allocations	690 454	1 090 420	-
Unencumbered funds	519 004	-	3 704
Allocations in excess of resources	-	(980 020) u/	-
	1 209 458	110 400	3 704

u/ Allocations exceeding resources were issued on the basis of contributions receivable for current period.

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	Netherlands Trust Fund for Special Action Programme for Public Administration and Management v/	UNDP Trust Fund for Participation of Officials from Developing Countries in the Working Group of the Committee of the Whole	Trust Fund for Special Economic Assistance Programmes
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	1 056 677	15 000	-
Interest income	527 400	2 419	32 786
	1 584 077	17 419	32 786
Less: Expenditure			
Project costs	1 935 239	36 201	12 170
Reimbursement of programme support costs to:			
Executing agencies	248 966	-	250
UNDP	21 968	1 200	470 w/
	2 206 173	37 401	12 890
Excess of income over expenditure (Excess of expenditure over income)	(622 096)	(19 982)	19 896
ASSETS			
Accounts receivable and deferred charges	-	-	107
Due from UNDP	3 547 525	5 596	214 254
	3 547 525	5 596	214 361
LIABILITIES AND UNEXPENDED RESOURCES			
Operating funds payable to executing agencies	96 789	-	-
Unliquidated obligations of executing agencies	293 157	-	-
	389 946	-	-
Unexpended resources			
Balance as at 1 January 1990	3 779 675	25 578	194 465
Excess of income over expenditure (Excess of expenditure over income)	(622 096)	(19 982)	19 896
Balance as at 31 December 1991 x/	3 157 579	5 596	214 361
	3 547 525	5 596	214 361

v/ Contributions due from Governments for current period total $540,933 (1989: $1,407,920). An analysis of this amount is provided in note 25.

w/ This amount includes prior periods' charges.

x/ Consisting of:

	Netherlands Trust Fund for Special Action Programme for Public Administration and Management	UNDP Trust Fund for Participation of Officials from Developing Countries in the Working Group of the Committee of the Whole	Trust Fund for Special Economic Assistance Programmes
Unspent allocations	1 787 714	-	21 365
Unencumbered funds	1 369 865	5 596	192 996
	3 157 579	5 596	214 361

The accompanying notes are an integral part of the financial statements.

	UNDP Trust Fund for Receipt of Payments by Users of the African Project Development Facility	CIDA/UNDP Trust Fund to Support Project "Recensement général de la population et de l'habitat" in Senegal	UNDP Trust Fund for the Safe Motherhood Initiative
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	187 544	-	-
Interest Income	14 497	64 493	14 207
	202 041	64 493	14 207
Less: Expenditure			
Project costs	-	(9 287)	73 000
Reimbursement of programme support costs to: UNDP	-	(93)	-
	-	(9 380)	73 000
Excess of income over expenditure (Excess of expenditure over income)	202 041	73 873	(58 793)
ASSETS			
Accounts receivable and deferred charges	-	93	-
Operating funds provided to Governments for executing projects	-	39 340	-
Due from UNDP	286 315	421 282	30 917
	286 315	460 715	30 917
LIABILITIES AND UNEXPENDED RESOURCES			
Unexpended resources			
Balance as at 1 January 1990	84 274	386 842	89 710
Excess of income over expenditure (Excess of expenditure over income)	202 041	73 873	(58 793)
Balance as at 31 December 1991 y/	286 315	460 715	30 917
	286 315	460 715	30 917

y/ Consisting of:

	UNDP Trust Fund for Receipt of Payments by Users of the African Project Development Facility	CIDA/UNDP Trust Fund to Support Project "Recensement général de la population et de l'habitat" in Senegal	UNDP Trust Fund for the Safe Motherhood Initiative
Unspent allocations	-	165 834	-
Unencumbered funds	286 315	294 881	30 917
	286 315	460 715	30 917

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP Trust Fund for the African 2000 Network	UNDP Trust Fund in Support of the Steering Committee and Secretariat for the United Nations Programme of Action for Economic Recovery and Development, 1986-1990	African Training and Management Services (ATMS) Project
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	8 604 724	138 929	2 434 697
Interest income	651 004	41 151	211 714
	9 255 728	180 080	2 646 411
Less: Expenditure			
Project costs	4 962 019	271 504	1 039 529
Reimbursement of programme support costs to:			
Executing agencies	531 499	16 291	114 348
UNDP	144 954	12 617 z/	10 396
	5 638 472	300 412	1 164 273
Excess of income over expenditure (Excess of expenditure over income)	3 617 256	(120 332)	1 482 138
ASSETS			
Government letter of credit	-	-	1 350 000
Due from UNDP	9 160 737	181 729	2 468 773
Accounts receivable and deferred charges	70	-	-
	9 160 807	181 729	3 818 773
LIABILITIES AND UNEXPENDED RESOURCES			
Management service agreements	530 000	-	-
Operating funds payable to other executing agencies	-		133 254
Unliquidated obligations of executing agencies	102 737	1 700	20 623
	632 737	1 700	153 877
Unexpended resources			
Balance as at 1 January 1990	4 910 814	300 361	2 182 758
Excess of income over expenditure (Excess of expenditure over income)	3 617 256	(120 332)	1 482 138
Balance as at 31 December 1991 aa/	8 528 070	180 029	3 664 896
	9 160 807	181 729	3 818 773

z/ This amount includes prior periods' charges.

aa/ Consisting of:

	UNDP Trust Fund for the African 2000 Network	UNDP Trust Fund in Support of the Steering Committee and Secretariat for the United Nations Programme of Action for Economic Recovery and Development, 1986-1990	African Training and Management Services (ATMS) Project
Unspent allocations	3 807 587	-	7 488 454
Unencumbered funds	4 720 483	180 029	-
Allocations in excess of resources	-	-	(3 823 558)
	8 528 070	180 029	3 664 896

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP Afghanistan Emergency Trust Fund	UNDP Fund for the Utilization of the Residual Funds of the United Nations Special Relief Office in Bangladesh (UNROB)	UNDP Fund for Emergency Assistance to the People's Republic of Bangladesh
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	3 442 350		
Interest income	180 699	649 878	332 441
Miscellaneous income	-	6 143	2 363
	3 623 049	656 021	334 804
Less: Expenditure			
Project costs	6 957 606	2 112 682 bb/	1 728 107 bb/
Reimbursement of programme support costs to:			
Executing agencies	736 362	106 624 bb/	86 405 bb/
UNDP	33 811 cc/	48 306 cc/	17 281
	7 727 779	2 267 612	1 831 793
Adjustment to prior years' programme expenditure (net)	-	(40 465)	-
Adjustment to prior years' programme support costs (net)	-	(37 103)	-
	7 727 779	2 190 044	1 831 793
Excess of expenditure over income	(4 104 730)	(1 534 023)	(1 496 989)
ASSETS			
Due from UNDP	-	3 747 345	1 082 148
Operating funds provided to executing agencies	-	-	902 205
Accounts receivable and deferred charges	8	-	-
	8	3 747 345	1 984 353
LIABILITIES AND UNEXPENDED RESOURCES			
Due to UNDP	921 734		
Operating funds payable to executing agencies	-	1 202 195	-
Unliquidated obligations of executing agencies	439 130	475 000	1 414 354
	1 360 864	1 677 195	1 414 354
Unexpended resources			
Balance as at 1 January 1990	2 743 874	3 604 173	2 066 988
Excess of expenditure over income	(4 104 730)	(1 534 023)	(1 496 989)
Balance as at 31 December 1991 dd/	(1 360 856)	2 070 150	569 999
	8	3 747 345	1 984 353

bb/ Expenditure relates to earlier period erroneously reported by UNCHS to Special Programme Resources.

cc/ This amount includes prior periods' charges.

dd/ Consisting of:

	UNDP Afghanistan Emergency Trust Fund	UNDP Fund for the Utilization of the Residual Funds of the United Nations Special Relief Office in Bangladesh (UNROB)	UNDP Fund for Emergency Assistance to the People's Republic of Bangladesh
Unspent allocations	1 376 859	1 859 520	213 082
Unencumbered funds	-	210 630	356 917
Allocations in excess of resources	(2 737 715)	-	-
	(1 360 856)	2 070 150	569 999

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP Fund for the Programme of Assistance to the Palestinian People	Preparation of an International Research Programme on Tropical Forestry	Coordination of International Agricultural Research
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	5 130 000	-	50 000
Interest income	346 847	13 448	6 669
	5 476 847	13 448	56 669
Less: Expenditure			
Project costs	3 748 542	118 269	90 090
Reimbursement of programme support costs to:			
Executing agencies	197 416	4 731	9 910
UNDP	37 485	-	-
	3 983 443	123 000	100 000
Excess of income over expenditure (Excess of expenditure over income)	1 493 404	(109 552)	(43 331)
ASSETS			
Government letter of credit	70 000	-	-
Due from UNDP	3 135 630	15 703	7 644
	3 205 630	15 703	7 644
LIABILITIES AND UNEXPENDED RESOURCES			
Unliquidated obligations of executing agencies	228 043	-	-
	228 043	-	-
Unexpended resources			
Balance as at 1 January 1990	1 484 183	125 255	50 975
Excess of income over expenditure (Excess of expenditure over income)	1 493 404	(109 552)	(43 331)
Balance as at 31 December 1991 ee/	2 977 587	15 703	7 644
	3 205 630	15 703	7 644

ee/ Consisting of:

	UNDP Fund for the Programme of Assistance to the Palestinian People	Preparation of an International Research Programme on Tropical Forestry	Coordination of International Agricultural Research
Unspent allocations	2 370 902	-	-
Unencumbered funds	606 685	15 703	7 644
	2 977 587	15 703	7 644

The accompanying notes are an integral part of the financial statements.

	UNDP Trust Fund for Social Mobilization for Development	UNDP Trust Fund for Emergency Humanitarian Assistance to Angola	UNDP Trust Fund for Namibia ff/
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	-	-	2 461 188
Cost-sharing contributions	-	1 555 248	-
Interest income	4 283	38 836	165 400
Miscellaneous income	-	-	13 327
	4 283	1 594 084	2 639 915
Less: Expenditure			
Project costs	24 435	-	2 727 931
Reimbursement of programme support costs to:			
Executing agencies	2 688	-	90 350
UNDP	687 gg/	-	27 280
	27 810	-	2 845 561
Excess of income over expenditure (Excess of expenditure over income)	(23 527)	1 594 084	(205 646)
ASSETS			
Due from UNDP	7 482	1 818 803	1 514 709
Operating funds provided to executing agencies	-	-	13 327
	7 482	1 818 803	1 528 036
LIABILITIES AND UNEXPENDED RESOURCES			
Unexpended resources			
Balance as at 1 January 1990	31 009	224 719	1 733 682
Excess of income over expenditure (Excess of expenditure over income)	(23 527)	1 594 084	(205 646)
Balance as at 31 December 1991 hh/	7 482	1 818 803	1 528 036
	7 482	1 818 803	1 528 036

ff/ Contributions due from Governments for current period total $11,722. An analysis of this amount is provided in note 25.

gg/ This amount includes prior periods' charges.

hh/ Consisting of:

	UNDP Trust Fund for Social Mobilization for Development	UNDP Trust Fund for Emergency Humanitarian Assistance to Angola	UNDP Trust Fund for Namibia
Unspent allocations	7 161	-	1 149 941
Unencumbered funds	321	1 818 803	378 095
	7 482	1 818 803	1 528 036

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP/Norway Trust Fund for the Special Plan of Economic Cooperation for Central America	UNDP Trust Fund for the Regional Project "Cultural Heritage and Development"	UNDP Trust Fund for Protection of the Ozone Layer
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	396 666	49 950	
Interest income	15 585	4 812	17 020
	412 251	54 762	17 020
Less: Expenditure			
Project costs	542 143	-	259 568
Reimbursement of programme support costs to:			
Executing agencies	59 635	-	28 553
UNDP	5 421	-	5 192
	607 199	-	293 313
Excess of income over expenditure (Excess of expenditure over income)	(194 948)	54 762	(276 293)
ASSETS			
Due from UNDP	206 317	156 262	143 405
LIABILITIES AND UNEXPENDED RESOURCES			
Unliquidated obligations of executing agencies	35 768	-	105 580
	35 768	-	105 580
Unexpended resources			
Balance as at 1 January 1990	365 497	101 500	314 118
Excess of income over expenditure (Excess of expenditure over income)	(194 948)	54 762	(276 293)
Balance as at 31 December 1991 ii/	170 549	156 262	37 825
	206 317	156 262	143 405

ii/ Consisting of:

	UNDP/Norway Trust Fund for the Special Plan of Economic Cooperation for Central America	UNDP Trust Fund for the Regional Project "Cultural Heritage and Development"	UNDP Trust Fund for Protection of the Ozone Layer
Unspent allocations	182 746	300 000	15 267
Unencumbered funds	-	-	22 558
Allocations in excess of resources	(12 197)	(143 738)	-
	170 549	156 262	37 825

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	Trust Fund Agreement between UNDP/IMPACT and the Malaysian Organizing Committee for Sportaid '88	Global Consultation on Water Supply and Sanitation for the 1990s	UNDP Trust Fund for the Republic of Maldives
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions	202 000	244 564	524 745
Interest income	7 898	1 266	-
	209 898	245 830	524 745
Less: Expenditure			
Project costs	65 381	198 633	-
Reimbursement of programme support costs to:			
Executing agencies	-	9 932	-
UNDP	654	1 986	-
	66 035	210 551	-
Excess of income over expenditure	143 863	35 279	524 745
ASSETS			
Operating funds provided to Governments for executing projects	8 887	-	-
Due from UNDP	134 976	35 279	524 745
	143 863	35 279	524 745
LIABILITIES AND UNEXPENDED RESOURCES			
Unexpended resources			
Balance as at 1 January 1990	-	-	-
Excess of income over expenditure	143 863	35 279	524 745
Balance as at 31 December 1991 ii/	143 863	35 279	524 745
	143 863	35 279	524 745

ii/ Consisting of:

	Trust Fund Agreement between UNDP/IMPACT and the Malaysian Organizing Committee for Sportaid '88	Global Consultation on Water Supply and Sanitation for the 1990s	UNDP Trust Fund for the Republic of Maldives
Unspent allocations	136 619	34 013	-
Unencumbered funds	7 244	1 266	524 745
	143 863	35 279	524 745

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	UNDP/Switzerland Trust Fund for Namibia	UNDP/JAIDO Trust Fund for Sea Island Cotton Pilot Production	UNDP Trust Fund for the Independent International Commission on Health Research for Developing Countries
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	17 016	300 635	130 000
	17 016	300 635	130 000
Less: Expenditure			
Project costs	-	139 426	91 331
Reimbursement of programme support costs to:			
Executing agencies	-	-	11 873
UNDP	-	1 394	-
	-	140 820	103 204
Excess of income over expenditure	17 016	159 815	26 796
ASSETS			
Due from UNDP	17 016	159 815	26 796
	17 016	159 815	26 796
LIABILITIES AND UNEXPENDED RESOURCES			
Unexpended resources			
Balance as at 1 January 1990	-	-	-
Excess of income over expenditure	17 016	159 815	26 796
Balance as at 31 December 1991 kk/	17 016	159 815	26 796
	17 016	159 815	26 796

kk/ Consisting of:

	UNDP/Switzerland Trust Fund for Namibia	UNDP/JAIDO Trust Fund for Sea Island Cotton Pilot Production	UNDP Trust Fund for the Independent International Commission on Health Research for Developing Countries
Unspent allocations	-	159 815	190 596
Unencumbered funds	17 016	-	-
Allocations in excess of resources	-	-	(163 800)
	17 016	159 815	26 796

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (continued)

	Trust Fund for the Interim Multilateral Fund under the Montreal Protocol	World Maritime University Trust Fund	Disaster Management Training Programme ll/
INCOME AND EXPENDITURE FOR THE BIENNIUM			
Voluntary contributions from Governments and other contributors	1 261 800	39 664	715 765
	1 261 800	39 664	715 765
Less: Expenditure			
Project costs	350 309	-	-
Reimbursement of programme support costs to: Executing agencies	38 534	-	-
	388 843	-	-
Excess of income over expenditure	872 957	39 664	715 765
ASSETS			
Due from UNDP	934 080	39 664	715 765
	934 080	39 664	715 765
LIABILITIES AND UNEXPENDED RESOURCES			
Unliquidated obligations of executing agencies	61 123	-	-
Unexpended resources			
Balance as at 1 January 1990	-	-	-
Excess of income over expenditure	872 957	39 664	715 765
Balance as at 31 December 1991 mm/	872 957	39 664	715 765
	934 080	39 664	715 765

ll/ Contributions due from Governments for current period total $46,776. An analysis of this amount is provided in note 25.

mm/ Consisting of:

	Trust Fund for the Interim Multilateral Fund under the Montreal Protocol	World Maritime University Trust Fund	Disaster Management Training Programme
Unspent allocations	371 507	-	-
Unencumbered funds	501 450	39 664	715 765
Allocations in excess of resources	-	-	-
	872 957	39 664	715 765

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIII (concluded)

	Government of Germany Trust Fund for UNDP/World Bank Energy Sector Management Assistance Programme	Elaboration of Methods and Techniques of Operationalizing the Human Development Concept nn/
INCOME AND EXPENDITURE FOR THE BIENNIUM		
Voluntary contributions from Governments and other contributors	422 060	293 028
	422 060	293 028
Excess of income over expenditure	422 060	293 028
ASSETS		
Due from UNDP	422 060	293 028
	422 060	293 028
LIABILITIES AND UNEXPENDED RESOURCES		
Unexpended resources		
Balance as at 1 January 1990	-	-
Excess of income over expenditure	422 060	293 028
Balance as at 31 December 1991 oo/	422 060	293 028
	422 060	293 028

nn/ Contributions due from Governments for current period total $18,847. An analysis of this amount is provided in note 25.

oo/ Consisting of:

	Government of Germany Trust Fund for UNDP/World Bank Energy Sector Management Assistance Programme	Elaboration of Methods and Techniques of Operationalizing the Human Development Concept
Unencumbered funds	422 060	293 028
	422 060	293 028

The accompanying notes are an integral part of the financial statements.

STATEMENT XXIV

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Other trust funds administered by UNDP

Status of funds for the biennium ended 31 December 1991

(United States dollars)

	United Nations Trust Fund for Operational Programme in Lesotho a/	UNDP Development Study Programme
INCOME AND EXPENDITURE FOR THE BIENNIUM		
Voluntary contributions	-	240 000
Interest income	21 906	69 659
Miscellaneous income (net)	22 439	-
	44 345	309 659
Less: Expenditure		
Project costs	2 022	283 401
Reimbursement of programme support costs to executing agencies	263	-
	2 285	283 401
Excess of income over expenditure	42 060	26 258
ASSETS		
Investments (schedule 9)	54 717	-
Operating funds provided to executing agencies	179 055	-
Due from UNDP	213 147	424 601
Non-convertible currencies pending United States dollar credit from UNDP	-	50 000
	446 919	474 601
LIABILITIES AND UNEXPENDED RESOURCES		
Unliquidated obligations of executing agencies	1 657	3 720
	1 657	3 720
Unexpended resources		
Balance as at 1 January 1990	403 202	444 623
Excess of income over expenditure	42 060	26 258
Balance as at 31 December 1991 b/	445 262	470 881
	446 919	474 601

a/ Contributions due from Governments for prior periods total $169,492 (1989: $156,250). An analysis of this amount is provided in note 25.

b/ Consisting of:

	United Nations Trust Fund for Operational Programme in Lesotho	UNDP Development Study Programme
Unspent allocations	-	247 839
Unencumbered funds	445 262	223 042
	445 262	470 881

The accompanying notes are an integral part of the financial statements.

STATEMENT XXV

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Statement of income and expenditure of sub-trust funds established by the Administrator

Status of funds for the biennium ended 31 December 1991

(United States dollars)

Trust Fund	Balance as at 1 January 1990	Income		Expenditure			Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
		Contributions received	Interest income	Project costs	Programme support costs	Resources transferred a/			
1. UNITED NATIONS CAPITAL DEVELOPMENT FUND									
Donor: Austria									
Rice Irrigation in Timbouctou Province	9 896	9 905	-	9 425	471	(9 905)	-	-	-
Donor: Belgium									
Construction of Regional Abattoirs in Segou and Sikasso	75 179	81 328	6 149	77 455	3 873	(81 328)	-	-	-
Donor: Belgium									
Irrigated Agriculture in Farfar Plain	659 399	-	111 728	407 774	11 164	-	352 189	107 684	-
Donor: Belgium									
Trust Fund for Belgian Experts	22 811	11 399	3 624	13 061	-	(11 399)	13 374	(1 662)	-
Donor: Bischöfliches Hilfswerk Misereor E.V.									
Community Water Supply and Sanitation Project in Nepal	16 819	18 194	1 375	18 194	-	(18 194)	-	-	-
Donor: Italy									
Construction and Maintenance of Priority Feeder Roads	18 167	19 653	1 486	18 717	936	(19 653)	-	-	-

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income		Expenditure			Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
		Contributions received	Interest income	Project costs	Programme support costs	Resources transferred a/			
Donor: Italy									
Rehabilitation of Rural Water Reservoirs	(735 303)	773 000	-	-	-	(33 779)	3 918	3 919	-
Donor: Italy									
Sor Hydroelectric Plant	(1 476 647)	1 752 000	-	-	-	(275 353)	-	-	-
Donor: Norway									
Production of School Furniture	175 224	-	12 662	124 401	325	-	63 160	32 983	-
Donor: Norway									
Small Earthen Dams	62 450	66 821	4 373	63 641	3 182	(66 821)	-	-	-
Donor: Switzerland									
Suspension Bridges (Phase II)	140 133	68 000	19 119	119 598	118	-	107 536	34 827	-
Donor: Switzerland									
Suspension Bridges (Phase III)	811 414	-	55 596	352 310	1 200	-	513 500	1 521 173	1 063 270
Donor: Canada									
Réhabilitation de Routes Rurales Sur le Versant Sud-est du Fouta Djallon	(23 735)	172 414	-	141 599	7 080	-	-	-	-
	(244 193)	2 972 714	216 112	1 346 175	28 349	(516 432)	1 053 677	1 698 924	1 063 270

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income		Expenditure			Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
		Contributions received	Interest income	Project costs	Programme support costs	Resources transferred a/			
2. UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION									
Donor: Norway									
UNRFNRE Environmental Protection Guidelines	-	144 737	-	127 709	-	-	17 028	17 028	-
Donor: Japan									
Mineral Exploration in SADACC Region	-	50 005	-	-	-	-	50 005	50 005	-
	-	194 742	-	127 709	-	-	67 033	67 033	-
3. UNITED NATIONS TRUST FUND FOR SUDANO-SAHELIAN ACTIVITIES									
Donor: Denmark									
Wind Energy Utilization for Electrification	638 497	-	-	53 689	4 295	(108 745)	471 768	230 935	-
Donor: Finland									
National Institutional Support and Fuel Wood Plantation Establishment in Dese	(1 503)	1 503	-	-	-	-	-	-	-
Donor: Italy									
Construction, Improvement and Maintenance of Secondary Roads - Brigade II in Niger	61 004	-	7 022	-	-	(51 261)	16 765	-	-
Donor: Italy									
Construction, Improvement and Maintenance of Secondary Roads - Brigade II in Senegal	293 511	-	36 860	-	-	(180 543)	149 828	-	-
Donor: Italy									
Strengthening of the "Development of Agricultural Statistics" Project to include Livestock Activities	25 679	-	2 625	-	-	(27 779)	525	-	-
Donor: Italy									
Installation of Hand Pumps on Existing Boreholes in Mali	1 215	-	-	-	-	(1 215)	-	-	-

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income		Expenditure			Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
		Contributions received	Interest income	Project costs	Programme support costs	Resources transferred a/			
Donor: Sweden									
Management of Grazing Resources around Permanent Water Supplies	94 101	-	14 683	697	35	-	108 052	-	-
Donor: Sweden									
Creation of Family Wood Lots in the Region of Koudougou	16 616	-	2 677	-	-	-	19 293	-	-
Donor: Sweden									
Creation of Family Wood Lots in the Provinces of Boulkiemde and Sanguie	184 857	22 234	14 649	186 672	9 334	-	25 734	-	24 118
Donor: Sweden									
Promotion and Production of Improved Cooking Stoves (Phase II)	542 725	33 434	43 117	96 293	4 815	-	518 168	469 153	36 272
Donor: Sweden									
Improvement of Cooking Stoves in the Sahel	5 194	-	-	-	-	-	5 194	-	-
Donor: Sweden									
Reforestation in South-east Niger	55 641	-	7 918	-	-	-	63 559	-	-
Donor: Sweden									
Pilot Project in Agro-forestry Development in Dosso	407 987	8 629	54 587	173 471	10 428	-	287 304	(97 654)	-
Donor: Sweden									
Integrated Village Afforestation in Louga and Bahel-Senegal	639 034	31 075	39 127	387 713	50 403	-	271 120	2 107	4 013
Donor: Sweden									
Support to the Construction and Diffusion of Improved Wood Stoves	-	1 778 843	-	1 651 957	82 598	-	44 288	854 728	-
Donor: Sweden									
Village and Family Woodlots in the Province of Sanguie and Boulkiemde, Burkina Faso	-	1 323 207	-	1 256 924	62 846	-	3 437	1 182 034	-

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income: Contributions received	Income: Interest income	Expenditure: Project costs	Expenditure: Programme support costs	Expenditure: Resources transferred a/	Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
Donor: Sweden									
Integrated Afforestation Project in the Louga, Bahel and Mbake Regions of Senegal	-	1 400 072	-	1 728 912	136 506	-	(465 346)	731 381	1 331 796
Donor: Sweden									
Land-Use Management and Agro-Forestry Development in Dosso Niger	-	757 049	6 488	582 214	43 436	-	137 887	1 453 592	1 484 298
Donor: Sweden									
Natural Resource Management (Preparatory Phase), Comoe and Kenedougou Provinces, Burkina Faso	-	282 331	-	195 677	25 439	-	61 215	122 771	-
	2 964 558	5 638 377	229 753	6 314 219	430 135	(369 543)	1 718 791	4 949 047	2 880 497
4. UNITED NATIONS VOLUNTEERS PROGRAMME									
Donor: France									
Government of France Support for the Development of Volunteerism	534 351	625 000	75 975	49 105	16 535	-	1 169 686	1 093 711	-
Donor: Federal Republic of Germany									
Africa Domestic Development Services Programme	1 098 499	2 275 439	58 490	1 804 834	234 263	-	1 393 331	1 334 840	-
Donor: Japan									
Multi-Sectoral Specialist Support in the South Pacific	500 000	-	74 216	346 319	13 852	-	214 045	139 829	-
Donor: Japan									
Contribution from Japan for UNV Assistance to UNHCR Refugee Programme in Hong Kong	-	233 253	9 105	224 305	7 748	-	10 305	1 200	-
Donor: Japan									
Contribution from Japan to UNV Consultative Meeting in Tokyo	-	20 000	634	19 377	623	-	634	-	-

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income: Contributions received	Income: Interest income	Expenditure: Project costs	Expenditure: Programme support costs	Expenditure: Resources transferred a/	Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
Donor: Japan									
UNV Technical Support to the Regional Humanitarian Plan of Action relating to the Crisis between Iraq/Kuwait	-	200 000	-	192 428	7 572	-	-	-	-
Donor: Japan									
UNV Technical Support to Refugee Relief and Humanitarian Assistance in South-East Asia	-	538 600	-	116 846	4 658	-	417 096	417 096	-
Donor: Japan									
UNV Technical Support to the Regional Humanitarian Assistance relating to the Crisis originating in Iraq/Kuwait	-	1 000 000	-	833 122	33 325	-	133 553	133 553	-
Donor: Japan									
UNV Multi-Sectoral Technical Support for Development and Humanitarian Assistance	-	200 000	-	-	-	-	200 000	200 000	-
Donor: Republic of Korea									
Republic of Korea Trust Fund for UNVs and Training	496 056	-	76 957	51 218	3 329	-	518 466	355 453	-
Donor: The Netherlands									
Netherlands Facility for UNV Support from Central Europe to Developing Countries	-	420 909	-	14 762	960	-	405 187	405 187	-
Donor: The Netherlands									
Netherlands Support for UNV/ Domestic Development Services	-	64 977	-	4 061	264	-	60 652	60 652	-
Donor: United Nations									
Humanitarian Assistance in the Gulf Region	-	304 562	-	49 108	5 893	-	249 561	249 561	-
Donor: United Kingdom of Great Britain and Northern Ireland									
Preparatory Assistance for the Formulation of Urban Environmental Pilot Project	-	27 732	-	28 043	-	-	(311)	(311)	-

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income: Contributions received	Income: Interest income	Expenditure: Project costs	Expenditure: Programme support costs	Expenditure: Resources transferred a/	Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
Donor: United Kingdom									
United Kingdom/Liberian Emergency Relief Trust Fund	-	127 155	-	-	-	-	127 155	127 155	-
Donor: United Nations									
Humanitarian Economic Assistance Programme to Afghanistan	814 954	1 300 000	92 212	1 834 726	219 986	-	152 454	2 200 242	2 140 000
	3 443 860	7 337 627	387 589	5 568 254	549 008	-	5 051 814	6 718 168	2 140 000
5. UNITED NATIONS FUND FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT									
Donor: Italy									
Project Formulation and Design	35 762	-	2 925	-	-	(38 687)	-	-	-
Donor: Italy									
Regional Non-destructive Testing Network for Latin America and the Caribbean - Phase II	26 885	-	4 487	(145)	(12)	-	31 529	25 023	-
Donor: Italy									
Development of National Scientific and Technological Capacity in Natural Resources Remote Sensing through Aerial and Satellite Photo Interpretation	63 454	-	8 323	-	-	(34 481)	37 296	34 207	-
Donor: Italy									
Strengthening the National Capacity for Mineral Prospection	30 324	-	2 468	-	-	(32 792)	-	-	-
Donor: Italy									
Reconnaissance and Exploration for Geothermal Resources	(682 528)	908 260	-	237 745	66 000	102 881	24 868	24 868	-
Donor: Italy									
Application of Technologies Appropriate for Rural Areas - Phase II	59 115	214 541	11 975	255 954	22 355	15 130	22 452	15 477	50 829

STATEMENT XXV (continued)

Trust Fund	Balance as at 1 January 1990	Income		Expenditure			Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
		Contributions received	Interest income	Project costs	Programme support costs	Resources transferred a/			
Donor: Italy									
Technological information Pilot System (Demonstration Phase)	3 855	-	2 380	(6 606)	-	(11 188)	1 653	6 139	-
Donor: Italy									
Establishment of the Beijing National Food Technology and Quality Control Research and Development Centre	414 641	172 500	72 224	146 711	39 504	-	473 150	360 964	-
Donor: Italy									
Technological Information Pilot System (TIPS) Semi-Comercialization (Bridging) Phase	(646 620)	2 000 000	-	1 073 638	69 443	-	210 299	-	-
Donor: Norway									
Computer-based Management Training Programme	14 777	-	2 635	-	-	-	17 412	14 772	-
Donor: Norway									
Strengthening the Computer Education and Computing Capability at the Asian Institute of Technology (AIT)	741 093	-	108 085	630 819	26 107	-	192 252	89 677	-
Donor: Federal Republic of Germany									
Policy Dialogues for Strengthening Endogenous Capacities in Science and Technology	144 974	651 721	5 282	495 827	66 033	-	240 117	1 319 938	-
Donor: Federal Republic of Germany									
International Conference Series on Environmentally Sound Coal Technologies for China and India	-	450 000	-	137 730	11 018	-	301 252	301 252	-
Donor: France									
Strengthening Management of Technology Capacity at the School of Management Asian Institute of Technology (AIT)	-	181 818	13 351	-	-	-	195 169	-	1 194 813
	205 732	4 578 840	234 135	2 971 673	300 448	863	1 747 449	2 192 317	1 245 642

STATEMENT XXV (concluded)

Trust Fund	Balance as at 1 January 1990	Income: Contributions received	Income: Interest income	Expenditure: Project costs	Expenditure: Programme support costs	Expenditure: Resources transferred a/	Balance as at 31 December 1991	Unspent allocations	Contributions pledged by Governments for the current and prior years
6. UNITED NATIONS DEVELOPMENT FUND FOR WOMEN									
Donor: Australia									
Incorporation of Women in Mainstream Development Planning	483 871	-	60 623	184 976	21 086	-	338 432	377 244	-
Donor: Canada									
CIDA/UNIFEM Trust Fund for Women in Appropriate Food Cycle Technologies in Africa	585 031	-	77 314	498 507	64 806	-	99 032	-	-
Donor: Denmark									
Credit Scheme for productive Activities of Women in Tanzania	2 540 190	-	290 146	149 999	19 500	-	2 660 837	3 972 016	1 601 325
Donor: Japan									
Contribution to the Centre for Social Development and Humanitarian Affairs	98 472	-	33 449	-	-	-	131 921	24 290	-
Donor: Non-governmental organization									
Women's Appropriate Food Technology Project in Tanzania	149 587	-	24 039	185 857	-	-	(12 231)	28 087	-
	3 857 151	-	485 571	1 019 339	105 392	-	3 217 991	4 401 637	1 601 325
7. UNDP TRUST FUND TO COMBAT POVERTY AND HUNGER IN AFRICA									
Donor: Italy									
Ethiopia-Italy Programme of Rehabilitation and Development (EIPRD)	1 018 603	-	159 144	424 524	108 818	-	644 405	57 498	-
	1 018 603	-	159 144	424 524	108 818	-	644 405	57 498	-

a/ Surplus income transferred to cover deficits in sub-trust funds on the instructions of certain Governments.

The accompanying notes are an integral part of the financial statements.

SCHEDULE 1

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Miscellaneous income and expenditure for the biennium ended 31 December 1991 with comparative figures for 1988-1989

(United States dollars)

1988-1989				1990-1991
188 501 726	Income from investments			182 458 961
433 486	Interest on construction loans			335 534
637 397	Miscellaneous income from accounts of executing agencies (net)			629 375
(12 794 811)	Prior year interest on cost-sharing contributions transferred to extrabudgetary resources		(note 15)	(16 732 003)
	Transfer of interest earned in prior years to:			
	Trust Fund contributions	(5 618 046)		
(9 537 786)	Advances for management service agreements	(9 727 722)		(15 345 768)
(1 076 341)	Adjustment of interest accrued in prior year			
	Net sundry income (expenditure):			
	Savings in liquidating obligations of prior biennium	6 364 756		
	Miscellaneous write-offs	976 096		
	Donations	32 078		
6 280 550	Other	(780 503)		6 592 427
(44 125 861)	Net adjustments on revaluation of currencies and gains/losses on exchange		(note 1(c))	5 677 508
128 318 360	Total		(statement I)	163 616 034

SCHEDULE 2

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Programme expenditure for the biennium ended 31 December 1991

(United States dollars)

Agency	Indicative Planning Figures: Country	Regional	Inter-regional	Global	Total	Indicative planning figure add-on funds	Special Programme Resources	Special Industrial Services	Special Measures Fund for the Least Developed Countries	Cash counterpart	Subtotal	Programme support costs	Total
UNITED NATIONS	216 248 975	10 106 197	1 016 228	-	227 371 400	-	2 402 697	-	5 127 774	4 011 827	238 913 698	30 091 561	269 005 259
ECA	-	17 452 909	-	-	17 452 909	-	1 792 596	-	-	-	19 245 505	2 501 915	21 747 420
ECE	-	1 041 086	-	-	1 041 086	-	-	-	-	-	1 041 086	135 447	1 176 533
ECLAC	-	2 917 237	-	-	2 917 237	-	386 207	-	-	-	3 303 444	429 448	3 732 892
ESCWA	-	10 120 833	-	-	10 120 833	-	640 020	-	-	-	10 760 853	1 398 422	12 159 275
ESCAP	-	7 250 052	-	-	7 250 052	-	453 740	-	-	-	7 703 792	1 001 493	8 705 285
UNIDO	155 717 714	7 466 687	-	-	163 184 401	-	118 272	6 210 726	835 336	621 302	170 970 037	23 081 572	194 051 609
UNCTAD	9 145 087	16 149 128	2 311 862	-	27 606 077	-	1 262 926	-	1 493 176	84 428	30 446 607	3 972 424	34 419 031
UNCHS	36 083 781	901 096	-	-	36 984 877	-	2 066 535	-	1 602 856	-	40 654 268	5 285 055	45 939 323
ILO	130 431 939	9 123 897	184 288	-	139 740 124	-	745 610	-	1 504 470	534 614	142 524 818	18 481 126	161 005 944
FAO	316 042 698	27 033 675	1 837 576	13 879	344 927 828	-	2 288 495	-	2 265 452	4 182 108	353 663 883	45 563 507	399 227 390
UNESCO	53 137 546	11 303 101	197 517	-	64 638 164	-	8 205	-	869 183	127 391	65 642 943	8 446 460	74 089 403
ICAO	50 554 346	11 137 863	1 436 191	-	63 128 400	-	213 797	-	(11 124)	2 140 556	65 471 629	8 256 381	73 728 010
WHO	26 811 644	5 893 442	3 403 619	13 731 142	49 839 847	-	865 284	-	37 545	43 525	50 786 201	5 869 931	56 656 132
WORLD BANK	74 884 509	30 520 125	32 657 774	9 561 478	147 623 886	-	2 132 653	-	1 372 160	3 397 171	154 525 870	16 484 668	171 010 538
IFC	945 978	15 539 044	598 892	-	17 083 914	-	-	-	11 540	-	17 095 454	1 795 951	18 891 405
UPU	4 486 450	1 295 483	-	-	5 781 933	-	1 519	-	-	-	5 783 452	1 272 359	7 055 811
ITU	33 359 139	17 806 547	-	-	51 165 686	-	645 477	-	405 808	164 319	52 361 290	6 558 953	58 920 243
WMO	25 867 322	6 277 815	222 154	-	32 367 291	-	-	-	-	57 011	32 424 302	4 414 518	36 838 820
IMO	5 686 267	4 804 138	300 000	-	10 790 405	-	125 584	-	-	-	10 915 989	2 200 000	13 115 989
WIPO	1 827 287	3 451 320	-	-	5 278 607	-	-	-	-	164	5 278 751	1 161 785	6 440 536
IAEA	2 123 470	2 098 690	-	-	4 222 160	-	-	-	-	4 902	4 227 062	940 813	5 167 875
ITC	19 120 176	11 048 764	2 097 888	-	32 266 828	-	-	-	674 399	(1 026)	32 940 201	4 271 070	37 211 271
WTO	4 130 719	1 091 497	-	-	5 222 216	-	20 804	-	93 113	-	5 336 133	1 174 290	6 510 423
ADB	-	2 419 281	-	-	2 419 281	-	-	-	-	-	2 419 281	314 507	2 733 788
ASDB	11 752 620	8 631 959	-	-	20 384 579	-	-	-	1 045 661	-	21 430 240	2 824 931	24 255 171
IMF	3 869 816	153 116	-	-	4 022 932	-	-	-	-	600	4 623 532	523 001	4 546 533
AFESD	-	2 634 794	-	-	2 634 794	-	184 963	-	-	-	2 819 757	-	2 819 757
UNITAR	7 407	-	-	-	7 407	-	-	-	-	-	7 407	912	8 319
UNV	23 641 034	4 619 738	60 209	-	28 320 981	36 001	519 924	-	868 791	443 704	30 189 401	-	30 189 401
GOVERNMENTS	262 418 006	11 216 196	204 454	-	273 838 656	3 358 965	16 994 569	-	3 788 986	2 261 551	300 242 707	4 232 229	304 474 936
UNDP	146 599 016	31 817 853	10 786 442	13 089 845	202 293 156	2 040 630	82 220 604	-	8 641 116	1 985 638	297 181 144	67 617 637 a/	364 798 781
Current year expenditure (inclusive of cost-sharing)	1 614 892 946	293 323 563	57 315 094	36 396 344	2 001 927 947	5 435 576	116 090 481	6 210 726	30 626 242	20 039 765	2 180 330 737	270 302 366	2 450 633 103
Charged to: Source of funds as per column heading	1 365 786 229	275 411 632	38 474 195	35 677 324	1 715 349 380	5 435 576	76 705 410	6 210 726	30 336 774	20 039 765	1 854 077 651	246 176 360	2 100 253 991
Cost-sharing	249 106 717	17 911 931	18 840 899	719 020	286 578 567	-	39 385 071	-	289 468	-	326 253 106	24 126 006	350 379 112
Current year expenditure (inclusive of cost-sharing)	1 614 892 946	293 323 563	57 315 094	36 396 344	2 001 927 947	5 435 576	116 090 481	6 210 726	30 626 242	20 039 765	2 180 330 737	270 302 366	2 450 633 103
Adjustments to prior bienniums (net)											(2 155 147)	(51 291)	(2 206 438) b/
Total (inclusive of cost-sharing)											2 178 175 590	270 251 075	2 448 426 665 (statement I)

a/ See schedule 3.

b/ See note 10.

SCHEDULE 3

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

UNDP biennial budget

Administrative services, programme support and development activities costs
for the biennium ended 31 December 1991

(United States dollars)

	Revised appropriations	Expenditure: Disbursements	Expenditure: Unliquidated obligations	Expenditure: Gross expenditure	Income received	Net expenditure	Unencumbered balance
UNDP core activities:							
Headquarters	152 705 400	145 078 515	5 479 547	150 558 062	-	150 558 062	2 147 338
Field Office	288 763 100	277 408 313	7 397 273	284 805 586	-	284 805 586	3 957 514
	441 468 500	422 486 828	12 876 820	435 363 648	-	435 363 648	6 104 852
Income received	30 940 000	-	-	-	32 395 520	32 395 520	(1 455 520)
	410 528 500	422 486 828	12 876 820	435 363 648 a/	32 395 520	402 968 128 b/	7 560 372
Programme support and development activities:							
Programme development activities	353 200	349 974	-	349 974	-	349 974	3 226
Project/programme implementation services:							
Development support services	5 000 000	4 117 251	382 155	4 499 406	-	4 499 406	500 594
Office for Project Services	26 482 800	23 826 990	1 526 403	25 353 393	-	25 353 393	1 129 407 c/
Inter-Agency Procurement Services Office	4 796 600	3 912 243	34 950	3 947 193	-	3 947 193	849 407
United Nations Volunteers programme	27 723 800	24 610 696	827 979	25 438 675	-	25 438 675	2 285 125
National execution	2 461 400	2 210 687	97 771	2 308 458	-	2 308 458	152 942
	66 464 600	58 677 867	2 869 258	61 547 125	-	61 547 125	4 917 475
	66 817 800	59 027 841	2 869 258	61 897 099	-	61 897 099 d/	4 920 701
Total	477 346 300	481 514 669	15 746 078	497 260 747	32 395 520 e/	464 865 227	12 481 073

a/ See schedule 3.1.

b/ See statement I.

c/ See note 11.

d/ Shown as programme support costs on schedule 2 (total above, $61,897,099, plus Expert Group on Successor Arrangements for Agency Support Costs, $826,777, plus OPS programme support costs on cost-sharing projects, $4,893,761 = $67,617,637).

e/ See note 13.

SCHEDULE 3.1

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Expenditure against UNDP core activities by major category of expenditure for the biennium ended 31 December 1991

(United States dollars)

	Revised estimates a/	Expenditure		
		Disbursements	Unliquidated obligations	Total
Salaries and wages	198 307 700	189 839 296	608 214	190 447 510
Common staff costs	130 920 000	129 516 446	4 907 765	134 424 211
Travel on official business	10 183 200	9 480 156	605 605	10 085 761
Contractual services	8 327 200	7 428 606	765 785	8 194 391
General operating expenses	61 061 400	54 164 059	2 559 297	56 723 356
Supplies and materials	7 343 400	7 303 433	349 130	7 652 563
Acquisition of furniture and equipment	13 763 000	14 603 253	2 476 432	17 079 685
UNDP share of joint activities within the United Nations system	11 562 600	10 151 579	604 592	10 756 171
Total	441 468 500	422 486 828	12 876 820	435 363 648

a/ As submitted to the Governing Council at its thirty-eighth session in June 1991.

SCHEDULE 4

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Extrabudgetary income and expenditure for the biennium ended 31 December 1991

(United States dollars)

	Balance as at 1 January 1990	Income received	Transfer between resources	Expenditure: Disbursements	Expenditure: Unliquidated obligations	Expenditure: Savings in liquidating prior year obligations	Expenditure: Total expenditure	Balance as at 31 December 1991
Support services provided by UNDP core activities to UNDP non-core activities and trust funds administered by UNDP	4 828 043	23 976 776	-	20 532 663	448 232	220 060	20 760 835	8 043 984
Administrative support of activities financed by the Reserve for Field Accommodation	4 801	90 886	-	16 101	-	-	16 101	79 586
Programme and administrative support in field offices	13 022 116	31 989 805 a/	7 591 071 b/	33 234 211	243 179	440 315	33 037 075	19 565 917
Procurement services provided by the Inter-Agency Procurement Services Office	104 168	2 604 077	-	2 219 835	3 659	30 873	2 192 621	515 624
Office for Project Services activities related to Trust Funds and Management Service Agreements	-	26 002 976	-	21 644 227	56 700	-	21 700 927	4 302 049 c/
Total (statement IV)	17 959 128	84 664 520 (statement I)	7 591 071	77 647 037	751 770	691 248	77 707 559 (statement I)	32 507 160 (statement II)

a/ See note 15.

b/ See statement IV.

c/ See note 11.

SCHEDULE 5

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Status of bilateral and other resources received under management service agreements for the biennium ended 31 December 1991

(United States dollars)

Source of funding	Recipient country	Balance as at 1 January 1990	Income received a/	Cost of services: Disbursements	Cost of services: Unliquidated obligations	Cost of services: Total	Unencumbered balance as at 31 December 1991
Executed by Office for Project Services							
IADB	Argentina	(671 809)	2 612 589	2 156 535	4 355	2 160 890	(220 110)
World Bank	Argentina	1 017 904	15 642 734	9 468 739	1 172 673	10 641 412	6 019 226
Italy	Argentina/Uruguay	239 446	684 712	807 352	-	807 352	116 806
Japan	Benin	-	12 220 932	5 418 234	3 091 340	8 509 574	3 711 358
IDA	Bolivia	1 236 148	2 967 278	3 616 830	52 136	3 668 966	534 460
Multiple	Bolivia	208 473	(260 430)	(51 957)	-	(51 957)	-
IDB	Bolivia	(191 709)	6 680 453	3 308 283	97 899	3 406 182	3 082 562
World Bank	Bolivia	-	130 691	-	-	-	130 691
World Bank	Brazil	154 424	353 580	268 132	21 450	289 582	218 422
Japan	Central Africa	-	2 275 469	1 732 571	101 382	1 833 953	441 516
Italy	Central America	660 171	4 491 087	1 695 301	316 393	2 011 694	3 139 564
Italy	Chad	(6 523 458)	14 677 549	7 709 937	337 000	8 046 937	107 154
World Bank	Chile	(10 961)	10 961	-	-	-	-
Italy	Colombia	795 672	(110 947)	684 725	-	684 725	-
USAID	Costa Rica	66 628	2 563	38 312	-	38 312	10 879
World Bank	Costa Rica	(308 997)	634 226	287 941	1 891	289 832	35 397
Italy	Cuba	3 041 068	(2 209 601)	787 730	-	787 730	43 737
IDA	Djibouti	24 462	4 309	-	-	-	28 771
Dominica	Dominican Republic	-	105 000	-	-	-	105 000
World Bank	Ecuador	646 769	661 585	1 107 609	45 007	1 152 616	155 738
Netherlands	Egypt	72 322	336 842	214 099	-	214 099	195 065
Italy	Egypt	3 540 084	(2 769 303)	685 230	3 198	688 428	82 353
Italy	El Salvador	2 246 650	962 725	2 893 247	138 544	3 031 791	177 584
Italy	Ethiopia	378 997	1 320 443	1 228 461	269 705	1 498 166	201 274
IDA	Ethiopia	337 541	254 578	488 379	20 123	508 502	83 617
Joint	Europe (regional)	99 252	15 400	-	-	-	114 652
Netherlands	Guatemala	(306 115)	1 095 409	517 010	51 708	568 718	220 576
Japan	Guinea	739 152	4 024 961	1 824 708	2 858 337	4 683 045	81 068
Italy	Guinea	6 334 431	(6 310 927)	19 454	-	19 454	4 050
World Bank	Honduras	29 103	80 803	66 703	3 300	70 003	39 903
Japan	Honduras	-	3 802 914	58 400	203 834	262 234	3 540 680
IDA	Indonesia	5 762	-	-	-	-	5 762
Denmark	Interregional	-	2 029 716	580 610	195 871	776 481	1 253 235
Norway	Interregional	-	307 346	-	-	-	307 346
Japan	Côte d'Ivoire	(9 660)	223 750	214 090	-	214 090	-
Australia	Lao People's Dem. Rep.	38 698	363 896	377 711	-	377 711	24 883
Japan	Madagascar	2 119 959	42 345 757	21 941 224	14 197 436	36 138 660	8 327 056
Japan	Mauritania	90 757	3 872 253	2 899 761	1 043 222	3 942 983	20 027
Japan	Mali	-	3 844 113	2 740 256	238 255	2 978 511	865 602
Denmark	Mongolia	-	1 935 483	30 500	1 018 315	1 048 815	886 668
Japan	Mongolia	-	15 210 472	647 051	14 049 306	14 696 357	514 115
Japan	Niger	13 732	11 596 117	10 382 335	958 508	11 340 843	269 006
Japan	Nicaragua	-	6 612 551	6 390 609	136 069	6 526 678	85 873
IDA	Pakistan	(14 449)	15 145	(6 241)	-	(6 241)	6 937
Italy	Palestine	-	11 560 000	7 943 109	1 612 658	9 555 767	2 004 233
World Bank	Papua New Guinea	626 422	1 302 891	1 439 896	31 390	1 471 286	458 027
Australia	Papua New Guinea	(31 820)	440 570	297 200	47 089	344 289	64 461
Italy	Peru/Guatemala/Zimbabwe	338 876	58 311	379 870	-	379 870	17 317
Italy	Regional Africa	(205 710)	211 002	5 292	-	5 292	-
France	Regional Africa	1 075 053	105 316	181 524	9 991	191 515	988 854
Sweden	Regional Africa	255 940	844 403	1 439 674	24 738	1 464 412	(364 069) b/
Japan	Senegal	(83 090)	442 670	359 580	-	359 580	-
Japan	Somalia	1 411 782	3 404 286	3 980 750	79 011	4 059 761	756 307
Italy	Sudan	(7 271 397)	20 406 634	11 870 984	220 859	12 091 843	1 043 394
Italy	Thailand	6 246	23 165	30 408	-	30 408	(997)
Finland	Thailand	-	3 956 366	2 141 368	323 642	2 465 010	1 491 356
Japan	Togo	232 115	6 587 665	6 606 098	212 548	6 818 646	1 134
World Bank	Turkey	760 695	288 842	836 079	26 990	863 069	186 468
U.S.A.	Turkey	-	10 083 925	5 963 766	509 050	6 472 816	3 611 109
World Bank	Uganda	564 809	6 962 530	4 556 487	909 290	5 465 777	2 061 562
Sweden	Uganda	-	248 477	232 466	-	232 466	16 011
Australia	Viet Nam	254 930	2 056 112	2 182 164	28 164	2 210 328	100 714
World Bank	Yemen	(27 682)	809 230	872 733	16 500	889 233	(107 685)
Japan	Zaire	-	26 132 107	21 542 100	4 529 533	26 071 633	60 474
		13 987 616	248 669 686	166 091 419	49 208 710	215 300 129	47 357 173
Executed by other agencies							
Czechoslovakia	Interregional	597 775	126 052	281 107	-	281 107	442 720
Total		14 585 391	248 795 738	166 372 526	49 208 710	215 581 236	47 799 893 (statement II)

a/ Total income received comprises: advances of $239,342,941 received from donors in accordance with management service agreements entered into by UNDP for the provision of bilateral and other programmes and interest of $9,452,797 earned on these advances.

b/ At the time of financial statement preparation, sufficient funds had been received in 1992 to eliminate the deficit.

SCHEDULE 6

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Investments as at 31 December 1991, with comparative figures for 1989

(United States dollars)

1989	Type		1991
4 007 196	Current accounts		4 100 475
942 000	Interest-bearing accounts		120 000
3 455 949	Call accounts		1 076 107
977 050 255	Time-deposits		557 790 166
119 762 548	Interest-bearing bonds and notes		183 373 682
33 812 672	Currencies other than United States dollars - other securities		70 619 070
80 000	Investments held in field offices		-
1 139 110 620	Total		817 079 500
	Comprising:		
640 035 974	General resources	(statement II)	263 368 291
284 072 629	Subsidiary programmes	(statement II)	347 306 094
200 000 000	Operational Reserve	(statement II)	200 000 000
15 002 017	Reserve for Field Accommodation	(schedule 7)	6 405 115
1 139 110 620			817 079 500

SCHEDULE 7

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Status of the investments of the Reserve for Field Accommodation
as at 31 December 1991

(United States dollars)

	Advances	Outstanding commitments a/
A. Construction loans to Governments	4 313 763	-
B. UNDP construction	11 141 928	15 306 551
C. Household Appliances Rental Scheme	882 781	-
D. Repairs and rehabilitation of houses	2 256 413	897 663
Total outstanding	18 594 885	16 204 214
E. General Investments	6 405 115 b/	
Authorized level of reserve	25 000 000 (statement II)	

a/ See note 1 (e).

b/ See schedule 6.

SCHEDULE 8

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

Junior Professional Officers programme

Status of funds as at 31 December 1991

(United States dollars)

Sources of financing	Balance as at 1 January 1990	Receipts	Disbursements	Balance as at 31 December 1991
Governments				
Australia	375 166	341 955	681 173	35 948
Austria	740	511 864	488 911	23 693
Belgium	196 608	1 053 458	1 259 621	(9 555) a/
Canada	18 474	3 879 892	2 605 877	1 292 489
Denmark	138 219	4 510 544	3 712 938	935 825
Finland	73 683	3 065 265	2 471 309	667 639
France	(121 423)	1 761 477	2 223 737	(583 683) a/
Germany, Federal Republic of	1 927 459	4 692 823	5 088 545	1 531 737
Ireland	14 493	13 042	27 256	279
Italy	(1 300 239)	4 761 487	4 190 808	(729 560)
Japan	(362 184)	1 864 957	2 109 018	(606 245) a/
Netherlands	319 462	6 128 891	7 118 284	(669 931) a/
Norway	92 221	2 203 448	1 792 575	503 094
Spain	(208 300)	939 137	1 865 374	(1 134 537) b/
Sweden	72 787	3 492 808	2 672 721	892 874
Switzerland	73 314	681 814	721 623	33 505
United Kingdom of Great Britain and Northern Ireland	-	445 787	721 651	(275 864) b/
Total	1 310 480	40 348 649	39 751 421	1 907 708
				(statement II)

a/ At the time of preparing the financial statements, sufficient funds had been received in 1992 to eliminate these deficits.

b/ At the time of preparing the financial statements, the following funds had been received in 1992: Spain - $598,315; United Kingdom - $152,498.

SCHEDULE 9

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Investments as at 31 December 1991, with comparative figures for 1989

(United States dollars)

1989	Trust fund/type			1991
	United Nations Capital Development Fund			
42 660	Current accounts			14 333
285 000	Interest-bearing accounts			140 000
131 000 000	Time-deposits			116 850 000
29 762 517	Interest-bearing bonds and notes			48 181 581
161 090 177	Total			165 185 914
115 590 177	Comprising:	Unexpended resources	(statement V)	106 285 914
45 500 000		Operational reserve	(statement V)	58 900 000
161 090 177				165 185 914
	United Nations Revolving Fund for Natural Resources Exploration			
168 000	Interest-bearing accounts			133 000
6 400 000	Time-deposits			1 550 000
6 568 000	Total			1 683 000
				(statement VI)
	United Nations Trust Fund for Sudano-Sahelian Activities			
9 668	Current accounts			1 013
984 000	Interest-bearing accounts			116 000
47 000 000	Time-deposits			46 750 000
-	Interest-bearing bonds and notes			8 047 892
47 993 668	Total			54 914 905
				(statement VII)
	United Nations Volunteers programme			
14 014	Current account			23 374
880 000	Interest-bearing accounts			460 000
1 500 000	Time-deposits			19 650 000
2 300 000	Other securities			-
4 694 014	Total			20 133 374
				(statement VIII)

SCHEDULE 9 (concluded)

1989	Trust fund/type			1991
	United Nations Fund for Science and Technology for Development			
560 000	Interest-bearing accounts			100 000
3 500 000	Time deposits			4 500 000
4 060 000	Total			4 600 000
				(statement IX)
	UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia			
170 000	Interest-bearing accounts			140 000
750 000	Time-deposits			1 400 000
920 000	Total			1 540 000
				(statement X)
	United Nations Development Fund for Women			
113 500	Interest-bearing accounts			140 000
17 750 000	Time-deposits			12 700 000
1 750 000	Interest-bearing bonds and notes			1 750 000
19 613 500	Total			14 590 000
13 813 500	Comprising:	Unexpended resources	(statement XI)	8 390 000
5 800 000		Operational reserve	(statement XI)	6 200 000
19 613 500				14 590 000
	Pérez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries			
200 000	Interest-bearing accounts			-
1 200 000	Time-deposits			1 500 000
5 104 359	Interest-bearing bonds and notes			5 061 704
6 504 359	Total			6 561 704
				(statement XVII)
	United Nations Trust Fund for Operational Programme in Lesotho			
32 811	Current account			54 717
240 000	Interest-bearing accounts			-
272 811	Total			54 717
				(statement XXIV)

SCHEDULE 10

UNDP: TRUST FUNDS ADMINISTERED BY UNDP

Budget appropriations and expenditure for the biennium ended 31 December 1991

(United States dollars)

Trust fund	Revised net appropriation	Expenditure			Unencumbered balance
		Disbursements	Unliquidated obligations	Total expenditure	
United Nations Capital Development Fund	9 839 900	7 969 335	372 805	8 342 140 a/	1 497 760
United Nations Revolving Fund for Natural Resources Exploration and United Nations Fund for Science and Technology for Development	5 708 500	3 801 721	58 659	3 860 380 b/	1 848 120
United Nations Trust Fund for Sudano-Sahelian Activities	6 701 400	5 241 064	87 294	5 328 358 c/	1 373 042
United Nations Development Fund for Women	4 193 400	3 641 837	62 653	3 704 490 d/	488 910

a/ Consisting of:

3 945 178	charged against 1990 resources (statement V)
4 396 962	charged against 1991 resources (statement V)
8 342 140	

b/ Consisting of:

2 104 827	charged against 1990 resources (statements VI and IX)
1 755 553	charged against 1991 resources (statements VI and IX)
3 860 380 e/	

c/ Consisting of:

2 357 184	charged against 1990 resources (statement VII)
2 971 174	charged against 1991 resources (statement VII)
5 328 358	

d/ Consisting of:

1 850 408	charged against 1990 resources (statement XI)
1 854 082	charged against 1991 resources (statement XI)
3 704 490	

SCHEDULE 10 (concluded)

	Expenditure		
	Disbursements	Unliquidated obligations	Total expenditure
e/ Breakdown of expenditure is as follows:			
United Nations Revolving Fund for Natural Resources Exploration	2 489 611	45 644	2 535 255
United Nations Fund for Science and Technology for Development	1 312 110	13 015	1 325 125
	3 801 721	58 659	3 860 380

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of significant accounting policies

The financial period of the organization is a biennium and consists of two consecutive calendar years. Although this presentation commenced with the current biennium, figures for 1988-1989 have been expressed on a biennial basis for comparative purposes. The financial statements reflect the application of the following significant accounting policies:

(a) Income

Interest income is accrued as income in the biennium to which it relates. All other income is accounted for on a cash basis, with the exception of income accrued on the government letter of credit which is irrevocable (see note 3). Government contributions receivable for the current and prior years are shown in note 6 for the UNDP Account and as notes on the balance sheets of the trust funds (statements V to XXV).

At its thirty-first session, the Governing Council authorized the establishment, with effect from 1 January 1985, of a country-specific accounting linkage between voluntary contributions (including contributions to voluntary programme costs), and contributions to local office costs in such a manner that contributions are first accounted for against any shortfall in contributions to local office costs. The total amount of $11,497,092, which was transferred from voluntary contributions (statement I) in respect to such linkage is included in schedule 3 and shown in note 13.

Contributions received, but not identified as to purpose, are held as accounts payable until identified, at which time they are recorded as income. Of these contributions, $7,300,206 were recorded as accounts payable as at 31 December 1989 and recognized as income in the current biennium. As at 31 December 1991, $5,345,449 in unidentified receipts were held as accounts payable.

(b) Expenditure

All expenditure of UNDP is accounted for on an accrual basis, except for that relating to staff entitlements and projects executed by Governments, which is accounted for on the basis of cash disbursements only. Project expenditure includes unliquidated obligations raised by the executing agencies (other than Governments) and the following criteria are generally applied:

Experts and other project personnel	Costs relating to the period of contractual service falling within the current biennium;
Travel on official business	Costs of travel taking place in the current biennium and travel that commences before the end of the current biennium, but extends into the next biennium;
Subcontracts	Payments falling due in the current biennium according to the terms of the contract or payment schedule;

Fellowships	Cost of the fellowship from the anticipated date of commencement of study or start of the current biennium to completion of study or end of the current biennium, whichever is earlier;
Group training	Full cost of any training activity held in the current biennium or beginning in the current and ending in the next biennium;
Equipment	Full cost of contractual agreement or firm order placed with the supplier prior to the end of the current biennium up to the amount provided in the current biennium's budget;
Miscellaneous	Costs of events occurred (for example, hospitality), goods or services delivered or firm orders placed for delivery in the current biennium.

Commitments may be incurred in the current biennium against future years' budgets. These are recorded as forward commitments and reflected in a footnote to the statement of assets and liabilities.

Certain flexibility provisions may be applied to expenditure. In any given year, expenditure may exceed an approved project budget for that year by $20,000 or 4 per cent thereof, whichever is the higher, provided the executing agency does not incur overall expenditures for that year in excess of 2 per cent of the total allocations made to it. In addition, executing agencies are also authorized, for an experimental period of three years beginning 1 July 1987 (extended an additional two years in 1990), to record obligations in the current year up to 20 per cent of the project budget of the following year.

(c) Exchange rates

Voluntary contributions received from Governments are translated into United States dollars using the United Nations operational rate of exchange in effect on the date of payment.

Exchange adjustments of $4,194,847 arising from the receipt of contributions from Governments have been recorded as a reduction to these contributions, and are shown on statement I accordingly. All other exchange adjustments have been recorded as miscellaneous income (expenditure) and are shown in schedule 1.

For the purposes of accounting for assets, liabilities and transactions, and the maintenance of other financial records, other currencies are translated into United States dollars at the United Nations operational rate of exchange in effect on the date of the report or transaction.

In the light of this, cash totalling $47.6 million, as reported in the balance sheet, and investments totalling $817.1 million, as reported in the balance sheet and schedule 6, include the United States dollar equivalent of

cash and investments in other currencies using the United Nations operational rate of exchange established on 1 December 1991 and in effect on 31 December 1991. At the United Nations operational rate of exchange in effect from 1 January 1992, which more closely reflects the market rate of exchange as at 31 December 1991, the value shown in the accounts would amount to approximately $1.4 million more for cash and $18.3 million more for investments.

(d) Capital expenditure

The full cost of non-expendable equipment is charged to the UNDP biennial budget or to the appropriate project in the biennium in which it is purchased. An inventory is maintained of all non-expendable equipment (defined as items of equipment valued at $500 or more a unit and with a serviceable life of at least five years, and items of equipment included in any special lists for which formal inventory records are maintained).

(e) Commitments of the Reserve for Field Accommodation

The total amount of loan commitments reflected in schedule 7 relates to loan and investment agreements signed with the respective Governments for construction of offices and housing, as well as funds for the Household Appliances Rental Scheme and the repair and rehabilitation of housing. The Governing Council, at its thirty-seventh session in June 1990, authorized the overcommitment of the Reserve by $10 million, while ensuring that funds disbursed do not exceed $25 million at any one time.

Note 2. Special Programme Resources

The Governing Council, at its thirty-third session in June 1986, authorized the carry-over of the unspent balance of the special programme resources as at 31 December 1986 as an addition to the authorized level of the special programme resources for the fourth indicative planning figure (IPF) cycle (1987-1991). In accordance with this authorization, the unspent allocations of the special programme resources, amounting to $20,983,102 as at 31 December 1986, have been added to the resources approved for the fourth IPF cycle amounting to $186,400,000. The status of this account as at 31 December 1991 was as follows:

		United States dollars
Unspent allocations brought forward from third indicative planning figure cycle		20 983 102
Amount authorized by the Governing Council		186 400 000
		207 383 102
Deduct:		
Expenditure during 1987	11 104 876	
Expenditure during 1988	20 050 243	
Expenditure during 1989	34 136 251	
Expenditure during 1990	33 603 773	
Expenditure during 1991	42 987 641	141 882 784
Balance of Special Programme Resources as at 31 December 1991		65 500 318

Note 3. Government letter of credit

The amount shown in statement II represents a letter of credit in respect of cost-sharing contributions made to UNDP by a Government covering the following:

	United States dollars
Support of child-survival activities in Africa	419 896
Regional projects in Africa	1 695 000
Support of international drinking water supply	6 875
Training in macro- and micro-economics in Mongolia	250 000
State modernization project in Uruguay	300 000
Strengthening of the judicial system in Uruguay	50 000
Information on the judicial system in Uruguay	238 689
Strengthening of the public sector	250 000
Total	3 210 460

As the letter of credit is irrevocable, the amount is presented with cash and investments in statement II and is recorded as cost-sharing contributions as presented in statement I.

Note 4. Operating funds and unliquidated obligations of executing agencies

A reconciliation of the operating funds provided by UNDP, and payable to executing agencies is shown below:

	Provided to executing agencies	Payable to executing agencies
	(United States dollars)	
Balances as reported by executing agencies	(52 429 674)	(19 663 763)
Unliquidated obligations of agencies	126 513 782	17 236 228
Net operating fund balance	74 084 108	(2 427 535)
Add: Charges not yet processed by agencies (net)	(35 052)	(110 977)
Closing balances as reported in statement II	74 049 056	(2 538 512)

Unliquidated obligations totalling $179,115,462 are shown separately in statement II. The amount comprises $143,750,010 in respect of executing agencies for which operating funds are provided and $35,365,452 in respect of UNDP as an executing agency for its projects.

The balances as reported by the executing agencies include cash at bank, on hand and in transit of $53,662,808, accounts receivable of $104,949,447 and accounts payable of $176,391,073.

Note 5. Amounts due from/to trust funds administered by UNDP

UNDP advances funds to, and receives funds for, the trust funds that it administers. The balance of these transactions as at 31 December 1991 is shown in the financial statement relating to each trust fund (statements V to XXIV).

Note 6. Governments' and other contributors' contributions - UNDP Account

Contributions due from Governments and other contributors for current and prior years that had not been paid by 31 December 1991 were as follows:

	Voluntary contributions	Voluntary contributions for the Special Measures Fund for the Least Developed Countries	Cost-sharing contributions	Cash counterpart contributions	Total
			(United States dollars)		
1987 and prior years	3 350 233	6	2 540 908	1 469 792	7 360 939
1988	1 481 744	3 560	3 626 789	1 130 074	6 242 167
1989	2 325 050	371	4 512 854	293 706	7 131 981
1990	2 463 285	5 803	18 059 690	1 800 869	22 329 647
1991	146 147 989	14 663	69 469 815	2 822 424	218 454 891
Total	155 768 301	24 403	98 210 056	7 516 865	261 519 625

Since UNDP accounts for its income from contributions on a cash basis, these amounts are not reflected in the financial statements.

The amounts in respect of cost-sharing and cash counterpart contributions are based on budgeted expenditure for the year and will be adjusted on the rephasing of these budgets.

Note 7. Contingent liability - termination benefits

The contingent liability resulting from the termination benefits that UNDP will be required to pay to its staff members in future years is estimated, at 31 December 1991, to be $18,248,779 with respect to repatriation grants and $2,890,984 with respect to termination indemnity.

Note 8. Contingent liability in respect of the air crash in the United Republic of Tanzania

On 5 December 1980, four UNDP staff members died in an air crash in the United Republic of Tanzania. As a result, UNDP received insurance proceeds totalling $623,948, from which it pays compensation to the beneficiaries of the air crash victims. As at 31 December 1991, the status of this liability was as follows:

	United States dollars
Estimated liability	1 810 003
Less: Balance of proceeds from insurance company	186 871
Estimated liability to be met from UNDP resources	1 623 132

Note 9. Accounts receivable and payable

(a) Accounts receivable and deferred charges

The amount of $45,574,460, as shown in statement II, consists of the following:

	United States dollars
Advances to staff and consultants	8 477 830
Funds placed with United Nations Information Centres	79 409
Deferred charges	5 391 274
Agency receivables	13 009 595
Miscellaneous field office receivables	19 277 422
Miscellaneous accounts receivable	47 956
Subtotal	46 283 486
Less:	
Provision to reduce the book value of accounts receivable	709 026
Total	45 574 460

(b) Accounts payable

The amount of $119,853,724, as shown in statement II, consists of the following:

	United States dollars
Amounts received in respect of other United Nations organizations' programmes	9 980 646
Unliquidated obligations	17 222 773
Medical Insurance Plan Fund	3 986 030
Accruals for management service agreements	49 955 161
Insurance proceeds in respect of the air crash in the United Republic of Tanzania	186 871
Miscellaneous field office payables	11 919 099
Miscellaneous accounts payable	26 603 144
Total	119 853 724

Note 10. Adjustments to prior years' programme expenditure and programme support costs (net)

The financial statements and schedules include the expenditure obtained from the financial statements submitted by the executing agencies. Adjustments, as a result of the audit of the financial statements of the agencies, are incorporated in the accounts in the subsequent financial period. Adjustments in respect of projects executed by Governments relate to revised expenditure reported subsequent to the preparation of the 1989 financial statements. Biennial expenditure is shown net of these adjustments on statement I and schedule 2. The adjustments that relate to the biennium ended 31 December 1991 comprise:

	Programme expenditure	Programme support costs	Total
	(United States dollars)		
AsDB	(1 038 480)	180 995	(857 485)
ECE	-	(400)	(400)
FAO	(2 395 987)	(311 479)	(2 707 466)
IFC	788 045	86 685	874 730
ILO	-	(1 490)	(1 490)
ITC	-	(5 450)	(5 450)
ITU	-	1 484	1 484
UNCTAD	-	2 429	2 429
UNESCO	-	(14 294)	(14 294)
WHO	-	(271)	(271)
World Bank	-	10 500	10 500
Governments	491 275	-	491 275
Total	(2 155 147)	(51 291)	(2 206 438)

Programme expenditure in statement IV includes $119,561 within cash counterpart and ($2,274,708) within general resources. Programme support costs in statement IV include ($51,291) within general resources.

Note 11. UNDP programme support costs

The Governing Council, at its thirty-eighth session, approved a revision to the Office for Project Services administrative budget for the biennium 1990-1991, which presents the distinction between expenditure financed from support cost earnings charged to UNDP general resources, as shown in schedule 3, and the income generated from extrabudgetary resources, as shown in schedule 4.

Office for Project Services (OPS) programme support costs earned as an associated agency and paid to associated agencies on UNDP-funded projects, amounted to $705,617. These amounts are shown offset against expenditure in schedule 3 and as part of programme expenditure in schedule 2.

OPS programme support costs of $4,893,761 were earned on UNDP cost-sharing projects. $530,000 was transferred to UNDP field office income as shown in schedule 4, with the remaining $4,363,761 included as Office for Project Services income in schedule 4.

The costs paid by the Office for Project Services for the support services provided by UNDP have been recorded in the amount of $4,583,080 in schedule 3 and $3,972,182 in schedule 4, as part of the total Office for Project Services costs shown in those schedules. To the extent that part of these costs for support services may have been financed from UNDP programme support costs, expenditure would be reflected in UNDP programme support costs and extrabudgetary income and expenditure.

Note 12. Sectoral support

The Governing Council, at its thirty-third session, approved the carry-over of any savings arising from previous years to cover the net costs to UNDP for the services of senior industrial development field advisers in the fourth programming cycle. At its thirty-fourth session, the Governing Council approved the allocation of $6.4 million, which had been withheld for further consideration at its thirty-third session, to be used in 1990 and 1991 to cover the services for a maximum number of these posts. In accordance with these decisions, the status of the allocation as at 31 December 1991 is as follows:

		United States dollars
Unspent allocations from the third IPF cycle		115 891
Allocation for the fourth IPF cycle		25 000 000
		25 115 891
Deduct:		
Expenditure during 1987	3 797 009	
Expenditure during 1988	4 621 761	
Expenditure during 1989	4 484 461	
Expenditure during 1990	6 021 694	
Expenditure during 1991	4 650 274	23 575 199
Unspent allocation as at 31 December 1991		1 540 692

Note 13. Income received for the biennial budget

The amount of $32,395,520 shown on schedule 3 for income received for the biennium ended 31 December 1991 consists of host Government cash contributions of $32,287,148 and other income of $108,372.

Host Government cash contributions consist of:

	United States dollars
Government local office contributions	20 790 056
Transfers from voluntary contributions	11 497 092
	32 287 148

Note 14. Provision to reduce the book value of accounts receivable and deferred charges

The $1,000,000 provision, established in 1987 to reduce the deficit in operating the FAO fisheries vessels pool, was reduced to $709,026 to reflect the current book value of the receivable. The $290,974 reduction was credited to the provision in statement I.

A provision of $367,967 was set up in 1988 to cover the contingent liability resulting from fraud in a field office pending decision of the local court. All proceedings were completed in 1991 and the amount officially written-off. As a result, the $367,967 provision was reversed in statement I and miscellaneous expenditure charged through the write-off account.

Note 15. Prior year interest on cost-sharing contributions

An amount of $8,770,083, included in the $16,732,003 figure in schedule 1 and the $31,989,805 figure in schedule 4, represents interest earned in 1989 on cost-sharing contributions which was transferred from UNDP general resources to UNDP extrabudgetary resources in this biennium. It is anticipated that a similar amount will be transferred in the next biennium.

Note 16. United Nations Capital Development Fund

(a) The amount of $541,931, shown on statement V as "Extrabudgetary account for support costs", represents the unspent balance as at 31 December 1991 of amounts charged to UNCDF projects for its indirect costs. The status of this account is as follows:

	United States dollars
Balance as at 1 January 1990	1 335 351
Amounts charged to UNCDF projects during the biennium	3 716 981
	5 052 332
Amounts utilized during the biennium	4 510 401
Balance as at 31 December 1991	541 931

(b) At its twenty-sixth session, the Governing Council decided that UNCDF should establish and maintain an Operational Reserve of at least 20 per cent of the Fund's project commitments and contingent liabilities for guarantees entered into by UNCDF in respect of bank loans to Governments (excluding sub-trust fund and cost-sharing arrangements). Accordingly, the fully funded operational reserve, established in 1979, was adjusted at 31 December 1991 to $58.9 million.

(c) At its thirty-fourth session, by decision 87/37, the Governing Council modified the partial funding formula. In conformity with this decision, actual project allocations of $164 million were made in 1990-1991 (excluding sub-trust funds but including cost-sharing arrangements) and, as shown in footnote a/ on statement V, unspent allocations were $186 million in excess of resources as at 31 December 1991.

(d) This amount represents a loan to a Government advanced in accordance with Governing Council decision 85/24. This loan is repayable over a period of 10 years.

Note 17. United Nations Revolving Fund for Natural Resources Exploration

(a) Included in the figure of $522,056 shown in statement VI as accounts receivable and deferred charges is an amount of $509,330 which represents a loan to the Government of Congo. This amount will be repaid to the Revolving Fund with a relevant service charge that was applied to the loan.

(b) The amount of $30,406 shown in statement VI represents the unspent balance of funds under management service agreements between donor countries and the Fund. The status of this account is as follows:

Source of funding	Recipient country	Balance 1 January 1990	Income received	Cost of services provided	Unencumbered balance at 31 December 1991
			(United States dollars)		
Italy	China	484 553	82 714	567 267	-
Italy	Honduras	26 509	19 784	46 293	-
Sweden	Ghana	-	30 406	-	30 406
		511 062	132 904	613 560	30 406

(c) The Governing Council, at its thirtieth session, approved a formula to determine the maximum allowable level of project approvals. As at 31 December 1991, total funds available under the formula amounted to $5,246,500, of which $954,165 had been allocated.

Note 18. United Nations Trust Fund for Sudano-Sahelian Activities

(a) The amount of $2,023,627 shown in statement VII represents the balance in respect of management services agreements between donor countries and UNSO. The status of income received and expenditure incurred as at 31 December 1991 is as follows:

Source of funding	Recipient country	Balance 1 January 1990	Income received	Cost of services provided	Balance 31 December 1991
			(United States dollars)		
Sweden	Burkina Faso	250 988	3 060 918	2 600 480	711 426
Sweden	Niger	510 044	1 090 562	887 233	713 373
Sweden	Senegal	480 963	1 899 200	1 781 335	598 828
		1 241 995	6 050 680	5 269 048	2 023 627

Included in the cost of services provided is an amount of $183,177, which represents charges credited to the UNSO extrabudgetary account for support costs.

(b) The amount of $379,288 shown on statement VII represents the balance due from UNEP for institutional support and Programme support in respect of the Plan of Action to Combat Desertification in the Sudano-Sahelian region. The status of contributions received and expenditure incurred as at 31 December 1991 is as follows:

	Institutional support	Programme support	Total
	(United States dollars)		
Balance as at 1 January 1990	116 344	5 224	121 568
Contribution received in 1990-1991			
From UNEP	771 877	688 984	1 460 861
From UNDP	980 514	981 203	1 961 717
	1 752 391	1 670 187	3 422 578
Expenditure incurred in 1990-1991			
By UNEP	(980 514)	(981 203)	(1 961 717)
By UNDP	(980 514)	(981 203)	(1 961 717)
	(1 961 028)	(1 962 406)	(3 923 434)
Balance due from UNEP as at 31 December 1991	(92 293)	(286 995)	(379 288)

The UNDP share of the joint-venture expenditure on programme support is included in the expenditure total shown in schedule 3 for UNDP core activities.

(c) The amount of $710,244 shown on statement VII as "Extrabudgetary account for support costs" represents the unspent balance as at 31 December 1991 of amounts received from non-core activities. The status of this account is as follows:

		United States dollars
Balance as at 1 January 1990		522 407
Amount charged to sub-trust funds during the biennium	313 029	
Interest income from cost-sharing resources	680 805	
Amount transferred from management services	183 177	
Amount transferred from UNSO general resources	80 000	
		1 257 011
		1 779 418
Amounts utilized during the biennium		(1 069 174)
Balance as at 31 December 1991		710 244

Note 19. United Nations Volunteers Programme

(a) At its thirty-fifth session, by decision 88/38, the UNDP Governing Council established new guidelines for the use of the Special Voluntary Fund. The Council decided that 85 per cent of the income accruing to the Special Voluntary Fund, from Voluntary General Contribution and interest income be utilized to meet external costs of volunteers, while the remaining 15 per cent be used to meet expenditures for pilot and experimental projects, special recruitment campaigns, and other projects of a similar nature.

It was also decided that project budgets would be charged an assessed amount to cover serving volunteers' external costs that cannot be met from the Special Voluntary Fund. During the biennium, amounts totalling $7,685,174 were credited to income of the Fund in respect of these charges.

(b) The amounts of $95,360 and $1,358,345 shown in statement VIII, represent a deficit and an unspent balance as at 31 December 1991 of resources provided by UNHCR and by donor Governments for the financing of specific projects. The status of these accounts is as follows:

	Office of the United Nations High Commissioner for Refugees	Donor Governments
	(United States dollars)	
Balance as at 1 January 1990	(58 299)	774 632
Income for the biennium	1 125 439	3 265 548
	1 067 140	4 040 180
Expenditure during the biennium	(1 162 500)	(2 681 835)
Balance as at 31 December 1991	(95 360)	1 358 345

The unspent balance of US$ 1,358,345 from donor Governments represent advances to meet costs for current volunteer assignments, and hence are not available for further programming.

(c) The amount of $556,436 shown in statement VIII as "Extrabudgetary account for support costs" represents the unspent balance in this account as at 31 December 1991. The account was credited with $622,294, representing support costs charged to projects funded by UNHCR, the Swedish International Development Authority (SIDA) and sub-trust funds. The status of this account is as follows:

			United States dollars
Balance as at 1 January 1990			38 513
Amounts charged:	UNHCR	55 175	
	SIDA	32 682	
	Sub-trust funds	534 437	
			622 294
			660 807
Amounts utilized during the biennium			(104 371)
Balance as at 31 December 1991			556 436

(d) The amount of $5,435,173 recorded as unspent allocations represents estimated commitments in respect of repatriation travel and resettlement allowances for serving volunteers as at 31 December 1991. If this estimated commitment is deducted from the general resources, the resulting balance as at 31 December 1991 amounts to $1,420,639 as detailed in footnote a/ in statement VIII.

Note 20. United Nations Fund for Science and Technology for Development

(a) The amount of $60,149 shown in statement IX as unexpended resources under extrabudgetary activities, represents the unspent balance of a contribution from a donor Government to cover costs for activating pledges in kind from the private sector. Expenditure for the biennium amounted to $34,140.

(b) The amount of $65,356 shown in statement IX as "Extrabudgetary account for support costs" represents the unspent balance as at 31 December 1991, of amounts charged by UNFSTD to its sub-trust funds as support costs. The status of this account is as follows:

	United States dollars
Balance as at 1 January 1990	931
Amounts charged to sub-trust funds during the biennium	233 626
	234 557
Amounts utilized during the biennium	(169 201)
Balance as at 31 December 1991	65 356

Note 21. UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia

The amount of $101,855 shown in statement X represents transfers of $69,042 and $32,813 to the United Nations, of interest earned by the Fund for 1990 and 1991, respectively. This is in accordance with the guidelines established for the operation of the Fund.

Note 22. United Nations Development Fund for Women

(a) Technical support costs of $1,261,722 represent charges incurred in supporting government and non-governmental organizations in the execution of their programme.

(b) The amount of $16,197 shown in statement XI as management service agreements represents funds received under an agreement with the Government of Italy for management services to be provided by the Fund.

(c) The operational reserve of $6,200,000 is calculated using a new formula adopted by the Governing Council by their decision 90/42. The formula is based on outstanding recommended project approvals and unspent allocations for future years.

Note 23. Trust Fund for the Training in the USSR of Specialists from Developing Countries

The amount of $2,494,289 shown in statement XIV as miscellaneous expenditure for the biennium ended 31 December 1991 includes exchange loss of $2,421,503 which arose in 1990 due to revaluation of balances held in roubles.

Note 24. Trust Fund to Combat Poverty and Hunger in Africa

The amount of $353,013 shown in statement XIX as unexpended resources under extrabudgetary activities, represents the unspent balance of a contribution from a donor Government. Expenditure for the biennium amounted to $187,902.

Note 25. Contributions due from Governments and other contributors - trust funds administered by UNDP

Contributions due from Governments and other contributors for the current and prior periods that had not been paid by 31 December 1991 were as follows:

	United Nations Capital Development Fund	United Nations Revolving Fund for Natural Resources Exploration	United Nations Trust Fund for Sudano-Sahelian Activities	United Nations Volunteers Programme	United Nations Fund for Science and Technology for Development	United Nations Development Fund for Women	UNDP Energy Account	United Nations Trust Fund for Operational Programme in Lesotho	UNDP Trust Fund for Emergency Assistance to the People's Republic of Mozambique	Trust Fund for Action on Development Issues	Trust Fund for the Training in the USSR of Specialists from Developing Countries
					(United States dollars)						
Voluntary contributions											
1987 and prior years	311 797	41 796	120 348	75 260	386 352	130 016	-	169 492	-	-	-
1988	12 410	20 000	21 013	2 890	32 919	5 500	500	-	-	-	-
1989	9 218	314 286	9 811	133 123	143 843	6 797	-	-	-	-	-
1990	32 400	-	11 465	16 248	177 593	10 155	-	-	-	398 000	-
1991	61 276	4 000	4 704 658	264 840	76 503	120 418	-	-	-	-	1 575 029
Total	427 101	380 082	4 867 295	492 361	817 210	272 886	500	169 492	-	398 000	1 575 029
Cost-sharing contributions											
1990 and prior years	1 213 537	-	827 737	-	44 002	62 557	600 929	-	586 000	-	-
1991	-	-	3 143 329	-	-	109 961	65 000	-	230 930	-	-
Total	1 213 537	-	3 971 066	-	44 002	172 518	665 929	-	816 930	-	-
Total, voluntary and cost-sharing contributions	1 640 638	380 082	8 838 361	492 361	861 212	445 404	666 429	169 492	-	398 000	1 575 029
Contributions to sub-trust funds											
1990 and prior years	1 063 270	-	2 856 379	2 140 000	1 245 642	1 601 325	-	-	-	-	-
1991	-	-	24 118	-	-	-	-	-	-	-	-
Total	1 063 270	-	2 880 497	2 140 000	1 245 642	1 601 325	-	-	-	-	-

Note 25 (concluded)

	CIDA/UNDP Trust Fund for the Bangladesh National Household Survey Capability Programme	CIDA/UNDP Trust Fund for the Pakistan National Household Survey Capability Programme	UNDP Trust Fund for Support to the Programme of the Ministry of Planning of Costa Rica	Finland/ UNDP Trust Fund for the Construction of an Agro-Veterinary School in Rushashi	CIDA/UNDP Trust Fund for African Project Development Facility	Netherlands Trust Fund for Special Action Programme for Public Administration and Management	UNDP Trust Fund for Namibia	CIDA/UNDP Trust Fund for the Caribbean Project Development Facility	Disaster Management Training Programme	Elaboration of Methods and Techniques of Operationalizing the Human Development Concept
					(United States dollars)					
Voluntary contributions										
1987 and prior years	332 985	141 828	308 593	-	-	-	-	-	-	-
1988	-	-	-	340 767	-	-	-	-	-	-
1989	-	-	-	-	-	-	-	-	-	-
1990	-	-	-	-	1 052 632	540 933	11 722	348 551	-	-
1991	-	-	-	-	-	-	-	-	46 776	18 847
Total	332 985	141 828	308 593	340 767	1 052 632	540 933	11 722	348 551	46 776	18 847
Cost-sharing contributions										
1990 and prior years	-	-	-	-	-	-	-	-	-	-
1991	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Total voluntary and cost-sharing contributions	332 985	141 828	308 593	340 767	1 052 632	540 933	11 722	348 551	46 776	18 847
Contributions to sub-trust funds										
1990 and prior years	-	-	-	-	-	-	-	-	-	-
1991	-	-	-	-		-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

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